FINANCIAL TIMES

No. 26,749 Thursday August 21 1975 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Portugal Cabinet 'may go soon'

The prospects of Portugal's fifth provisional government lasting very much longer weakened considerably last night.

Despite the swearing-in of Ministers, the pro-Communist Premier Vasco Gonçalves appeared under increasing pressure to quit. Even President Costa Gomes predicted that the regime would fall within days. *Opposition to the government* has spread, often violently, and a new element was added when the Communists joined a Lisbon demonstration in favour of Copcon security chief Otelo Carvalho's recently-announced plan *for the* county. **Back page**

Ulster talks held up

Inter-part talks on a new form of government for Ulster ran into unexpected difficulties yesterday, but fears of a deadlock were discounted. A joint communique said the talks would be resumed next week instead of to-day, to give both sides more time to examine their positions.

Both sides had come under some criticism from their respective hard-liners during the day. **Back Page**

No more 'stunts'

There will be no more publicity stunts like that of the Headingley Test pitch sabotage, Mr. Peter Chappell, organiser of the George Davis protest campaign, said yesterday. He had refused to answer police questions on the incident but there is a threat that *if one of the group is arrested,* 150 people will surrender themselves to police.

Airliner crash

A Russian-built Czech Ilyushin 62 airliner crashed in the desert near Damascus yesterday, killing 126 of the 128 people aboard. The aircraft came down during its landing approach on a flight from Prague.

Blaze kills three

A young nurse, Miss Neulah Woods, 29, died in south-east London yesterday while trying in vain to rescue two patients aged 80 and 91 from a fire in a private old folks' home. Seven other people were taken to hospital.

The Big Sleep

Through bellowing loudhailers, booming foghorns and the attentions of warships and helicopters, the lone, unidentified yachtsman *slept on as his vessel drifted* through the busy shipping lanes of the English Channel. Eventually, Torbay lifeboatmen woke him and he continued his voyage to Sweden from the West Indies.

Soccer fines

Fines totalling £665 were imposed on 19 fans by Birmingham magistrates after incidents at Tuesday's Birmingham-Manchester United game.

People and places

Israel said its forces killed three Arab guerillas who crossed from Lebanon yesterday in an attack timed to coincide with Dr. Kissinger's *new Middle East shuttle.* **Middle East, Back Page**

South Africa has been banned from the World Water Ski Championships at Egham, Surrey, next month.

Nottingham Forest Football Club manager Brian Clough was banned from driving for three months and fined £50 after speeding on the M1.

Special booklets in Chinese and Punjabi as well as English have *been circulated in a bid to reduce* hygiene risks in Derby restaurants and foodshops.

American balloonist Bob Sparks was due to lift off from Cape Cod last night in a new attempt at a transatlantic flight which could take five days.

BUSINESS

Wall St. loses 15 to fall below 800

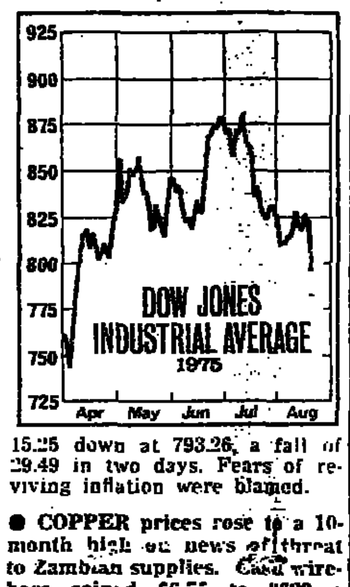
● **EQUITIES,** unsettled by the *overnight setback on Wall* Street, encountered some profit taking. The FT 30-share index closed 2.3 down at 300.7.

● **GILTS** continued to be overshadowed by U.S. worries, but *losses were limited to* ⅞ and the Government Securities index lost 0.24 to 60.60.

● **THE POUND** improved to close at $2.1210 against the dollar. Its average depreciation was 27.5 per cent. (27.7) and the dollar's was 2.63 per cent. (2.64).

● **GOLD** was $1¼ up at $162¾.

● **WALL STREET** dropped below the 800 mark for the first time since April 11. It closed



15.25 down at 793.26, a fall of 29.49 in two days. Fears of reviving inflation were blamed.

● **COPPER** prices rose to a 10-month high on news of threat to Zambian supplies. Cash wirebars gained £6.75 to £622 a tonne.
Pages 7 and 19

● **CHRYSLER UK** has offered its workers two seats on its main Board as part of an attempt to improve industrial relations.
Back Page.

● **POST OFFICE'S** autumn price increases have been accepted by the Price Commission.
Back Page and Feature, Page 12

● **ENERGY SECRETARY** has written to operating companies with new oil discoveries urging them to tell his department of their platform ordering plans.

Italy seeks IMF oil loan

● **ITALY** has applied for a loan of about $840m. from the IMF's oil facility.
Back Page

● **PARIS METRO** is to be re-equipped with 1,000 all-aluminium coaches costing Frs.1.2bn. (more than £120m.).
Page 7

● **UNIT TRUST** sales fell by £1.9m. to £24.64m. in July, while repurchases rose by £1m. to £12.04m.
Page 9

● **NEW BANK** is to be formed in New York by a consortium of 20 Arab, American and European banking concerns.
Page 5

● **AUSTRALIAN** Stock Exchange has been criticised by a Senate committee probing activities of Queensland Mines.
Page 16

COMPANIES

● **DIXONS PHOTOGRAPHIC** second-half profits more than *doubled to £2.37m. (£1.12m.)* lifting the total to £4.32m. (£3.78m.).
Page 14 and Lex

● **F. W. WOOLWORTH** six-month pre-tax profits increased from £10.44m. to £11.69m. on sales up £58.5m. at £254.66m.
Page 15 and Lex

● **TUBE INVESTMENTS** pre-tax profits fell from £20.76m. to £19.23m. in the first half on sales up from £240m. to £291.8m.
Page 17 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Abercom	330	+ 8
Allen Harvey and Ross	310	+ 10
Brotherhood (Peter)	57	+ 4
Cater Ryder	223	+ 8
Clay (Richard)	28	+ 5
Dawson (James)	42	+ 4
Felixstowe Dock	74	+ 5
Gillette Bros.	153	+ 8
LCP	53	+ 7
Sunley (Bernard)	132	+ 7
Tube Invs.	292	+ 14
Kulim	29	+ 2½
De Beers Defd.	305	+ 7
Palabora	930	+ 30
FALLS		
Treasury 3% 1977	£88½	− ⅛
Treasury 13¼% 1997	£94⅞	− ⅞
Adwest	95	− 4
Assoc. Sprayers	15	− 3
Babcock and Wilcox	95	− 3
"Bats"	268	− 7
Brit. Home Stores	289	− 6
Broken Hill Prop.	670	− 30
Central Manuf.	54	− 11
Churchbury Estates	125	− 7
Courtaulds	115	− 4
Fisons	356	− 6
Furness Withy	213	− 7
Glaxo	338	− 5
Lloyds Bank	193	− 5
Lyons (J.) "A"	127	− 5
Olrex	50	− 5
Racal Elect.	156	− 6
BP	503	− 12
Shell Transport	318	− 8
Gold Mines of Kalgoorlie	95	− 20
Peko-Wallsend	305	− 10
Pot. Plat.	230	− 8
Selection Trust	505	− 10
Tanganyika Cons.	180	− 4
Thiess Hldgs.	225	− 5

Pay policy campaign gets under way with boost from earnings figures

Rise in earnings running below level of inflation

BY MICHAEL BLANDEN

The pressure of wage rises slackened a little in July, according to the latest figures from the Department of Employment, while the deepening economic recession is having a marked impact in cutting the level of earnings.

In July, the last month before the Government's £6 a week pay rise limit took effect, the average level of manual workers' weekly wage rates rose by just over 1 per cent. The index (July 31, 1972=100) increased from a revised figure of 181.1 in June to 183.0. This took it to a level 31.5 per cent. higher than a year earlier.

At this rate, basic weekly wages were still running well ahead of the level of price inflation, with the cost of living index published last week showing an increase of 26.3 per cent. over the year to mid-July. But the rise in wages has shown a steady decline from the 33.5 per cent. jump recorded in the 12 months to May.

Recession

The slowdown is strongly evident in the average earnings figures, published a month behind wage rates, which are likely to be the most sensitive measure of the effectiveness of the Government's new policy. In June, the provisional average earnings index (seasonally adjusted) rose about 1.5 per cent. from 217.7 to 221.0. But compared with a year earlier, it showed an increase of only 25.4 per cent.

This was slightly below the level of price inflation, which normally happens only when the economy is entering a period of recession, and reflects the impact of reduced overtime earnings and short-time working in industry. It is thought that,

Editorial comment Page 12
Economic viewpoint Page 13

roughly speaking, these factors may have cut the year-on-year rise in earnings in June by about 2 percentage points below what it would otherwise have been.

The increase also shows a significant fall from the recent trend. Taking account of the exceptional factors which distorted comparisons in the earlier part of the year—including the three-day week in 1974 and an overtime ban in engineering in April last year—it is reckoned that over the previous six months or so average earnings had been running some 28 per cent. higher than a year before.

The drop in the underlying trend so far seems to be a reflection of the worsening economic and employment situation. The mid-July unemployment figures showed a total in the U.K. above the 1m. mark for the first time since 1940, though with a reduction in the numbers estimated to be on short-time working to 145,000 from the peak 250,000 in May.

The deepening recession has recently been confirmed by output figures and this week by the retail sales statistics, which have suggested that after the distortions caused by the Budget VAT increases the level of sales has settled down at substantially lower rates than those experienced up to the first few months of this year.

Corrective

The latest wage and earnings figures indicate that, before the Government's moves, the pressure of wage costs was bringing its own corrective action in the form of increased unemployment and reduced earnings.

If the Government's policy is to succeed, the increase in earnings, which include the higher-paid white-collar earners as well

Continued on Back Page

Murray aims at full £6 for all

TUC general secretary Mr. Len Murray yesterday condemned the Government's claim that employers need not pay the full £6 rise allowed.

Stressing that unions should **"seek" £6 from employers, he added, "The word seek implies get."**

This clashes sharply with Government advertisements describing the figure as a maximum—"and not an automatic rise for everyone"—and is the first sign of cracks in the carefully constructed Government-TUC accord.

At the idea that employers could, with Government backing, offer less than £6, Mr. Murray declared: "I hope employers will not try to go that road. I hope unions will press for £6 universal, flat." Page 11

Yard heads for confrontation

The Government's stress on a 12-month interval between pay deals has effectively dashed union hopes that negotiations were still possible on some sort of interim pay deal for 5,000 Swan Hunter workers now on strike.

This means that a Tyneside mass meeting planned for Saturday will face the choice of returning to work after a six week strike with no extra money, or staging a prolonged challenge to the Government's policy. Page 11

Inflation may fall to 10%—CBI

If the Government's policy is successful, the rate of inflation in the U.K. will be down to 10 per cent. by the third quarter of 1976, according to forecasts prepared by the Confederation of British Industry.

The rate of wage inflation is expected to be at 11 per cent. compared with the CBI's earlier forecast of 25 per cent. made before the Government spelled out its measures.

The Confederation estimates that unemployment (excluding Northern Ireland and full-time students) will reach 1.25m. by the third quarter of 1976. Page 9

£ in New York

—	Aug. 20	Previous
Spot	$2.1176-1184	$2.1200-1215
1 month	0.76-0.6[illegible] dis	0.71-0.6[illegible] dis
3 months	1.97-1.87 dis	1.74-1.70 dis
12 months	7.30-7.20 dis	7.36-7.25 dis

Resist the militants, says Wilson

BY RICHARD EVANS, LOBBY CORRESPONDENT

A DRAMATIC appeal to the nation to fight any attempts by trade union militants to wreck the Government's counter-inflation policy was made by Mr. Harold Wilson in a national television broadcast last night.

The Prime Minister, launching the massive Government campaign to persuade the country to accept the £6 a week limit on wage increases in the coming year, called on all sections of the community to "get involved" in the attack on inflation.

In an attempt to counter the *influence of militants he* declared: "Make your views heard. Don't let minorities take decisions for you in your absence. Stand up to any who seek to cash in on the difficulties every family, every industry, every factory will face. Don't let them talk you out of it."

Muscle

His call to moderates to stand up to militants, together with a reference to the misuse of "industrial muscle" is certain to upset those trade union leaders and Labour Party activists who are totally opposed to the £6 limit because they regard it as a threat to the whole concept of free collective bargaining.

Mr. Wilson, who regarded the ten-minute broadcast as one of the most important of his political career, made no attempt to minimise the dangers of the situation for Britain if the *Government's policy to cut inflation* to single figures next year did not succeed.

He painted a picture of economic stringency and falling living standards for many in the coming year, but looked ahead with optimism to the end of the '70s when "the sacrifices we make now can lead to a new era for our people."

His sombre message was that the battle against inflation could not be won in a single year, and would entail rough but necessary justice.

"This year justice will be rough, but justice will be there, nonetheless. It is the Government's duty to ensure that, however rough the going, there will be justice. If we failed now, *the going would become increasingly* rough, with precious little justice left to share out."

The Prime Minister went out of his way to warn militant trade unionists of the dangers the country would face if they sought to overturn the Government's policy.

"There may be those who, by the use of their own industrial muscle, feel that they could get for themselves such a pay increase as to enable them to escape the rigours of inflation.

"In the short term, yes—at the expense of more unemployment, at the expense of millions weaker than themselves. In the long term, they delude even themselves, for they and their families have to face the backlash of the inflation they generated by their own actions," Mr. Wilson declared.

He warned that in no circumstances would the Government weaken in its resolve. As direct *employer and paymaster of* public industries and services the Government would see that the limit was observed, and in the private sector companies would "not be allowed" to pass on any excessive pay settlements in prices. But the Premier gave no hint of the reserve powers that have been drafted in case of a major breach.

The next year was crucial to Britain's economic future. "It is the year in which we must say 'Stop.' In those 12 months, while all incomes are limited, the living standards for many of our people will show no

Text of the broadcast, Page 9

improvement. For very many they will fall. This harsh truth must not be disguised."

Mr. Wilson's broadcast, made in London after he had interrupted his holiday in the Scillies, was timed to coincide with the publicity campaign for the counter-inflation policy in yesterday morning's newspapers. The Prime Minister was returning to the Scillies overnight.

The Conservative response to the broadcast will be made tonight by *Mr. William Whitelaw*, the deputy leader. Mrs. Margaret Thatcher is not expected to return prematurely from her holiday in France.

While the Conservatives are likely to give broad support to *Mr. Wilson's counter-inflation* policy, Mr. Whitelaw is expected to call for further cuts in public expenditure and for the Government to drop its nationalisation proposals.

A Conservative backbencher, *Mr. Michael Brotherton, MP for* Louth, protested yesterday at the advertisements in the morning newspapers, claiming there had been a deliberate attempt to mislead the public into thinking that by some magical means "our Socialist masters are helping to keep down the price of food." He was referring the advertisement to the Advertising Standards Authority.

Leyland faces strike over claim defying limit

BY ROY ROGERS, LABOUR CORRESPONDENT

WORKERS AT British Leyland's Lancashire truck and bus plants decided yesterday to challenge the Government's pay policy by applying sanctions and threatening an all-out strike if a previously agreed pay deal is trimmed to bring it within the £6 limit.

Mass meetings of the 9,000 workers employed in the five plants voted for an immediate ban on overtime and withdrawal of co-operation and to strike from the September 15 payment date unless the company honours its agreement worth up to £6.50 a week plus lump sum payments of £52.

Leyland's commercial vehicle plants have been hit far less by the motor industry recession than the car factories and about a third of the Lancashire truck and bus workers have been working overtime recently. The ban is expected to hit output by about 10 per cent., with the policy of non-co-operation making further inroads into production levels.

Before the strike deadline, national union officials are expected to be asked to intervene in a bid to resolve the situation which was brought about by management's decision to renegotiate the deal at the suggestion of the Department of Employment.

The majority of Leyland truck and bus workers are members of the Amalgamated Union of Engineering Workers which will spearhead the opposition to the Government's pay policy at the TUC annual congress in two weeks' time.

Mr. Len Brindle, AUEW works convener, told one of the meetings yesterday: "It is a fundamental issue of principle that your representatives signed an agreement when there was not one dot of legislation to prevent it, only to have it thrown back in their faces."

He claimed that part of the agreement relating to rationalisation of pay scales—which have been reduced from 170 or so to seven over the past year—had been signed in 1974 and had been modified in view of British Leyland's financial problems.

"We have turned the other cheek and finished up getting our teeth kicked in," he said.

A British Leyland spokesman commented last night that the Department of Employment had said that the settlement concluded on July 10, the eve of publication of the pay policy White Paper, breached the policy and would therefore have to be made to comply with the £6 limit.

Management is well aware that if it defied the policy the Government could prevent any *of the costs of the agreement* being passed on by way of increased prices. Such a breach could also jeopardise the flow of State finance due under *Lord* Ryder's proposals for rescuing the company.

Output of Guy trucks to be ended. **Page 9**

Weir wins £30m. Qatar order for desalination plants

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

AN ORDER worth more than £30m. for four sea-water desalination plants has been won by Weir-Westgarth from the Middle East State of Qatar.

It is the largest contract for desalting plant placed in Britain, and among the three largest so far undertaken anywhere in the world. Last year the Glasgow-based company, with its French and Italian affiliates, secured seven contracts worth about £10m.

The Qatar order, obtained against French, Japanese and Italian competition, is for plants each with a capacity of 5m. gallons (and a guaranteed out*put of 4m. gallons) in daily pro*duction of pure water for drinking and industrial use.

It is the first of a batch of contracts, worth in all about £90m., for which Weir-Westgarth is bidding, all of them for the Middle East.

The plants will be built at the Ras Abu Fontas electricity generating station and will use the multiple-flash distillation process developed by the Weir group. They will use steam raised by waste-heat boilers from the power station's gas turbine exhausts.

Viscount Weir, Chairman of the Weir group, said the contract "confirms Britain's continued leadership in desalination, a *technology that our company* pioneered." But he regretted that part of the equipment for the plants, worth "several million pounds," would have to be purchased abroad. Some British suppliers had been prevented by *wage inflation and adverse indus*trial conditions from quoting competitively, he said.

The company regards the order as the clearest signal yet of a reviving market for desalting plants, notably in the Middle East, where it thinks that the industralisation programmes of oil-producing states may stimulate a demand for fresh water equipment amounting to some £1.5bn. in the next five years.

The Qatar contract, to be completed in 133 weeks, will be financed largely out of progress payments made by the Qatar Government, thus diminishing any strain that there might otherwise have been on Weir's working capital. Consultants to the Government of Qatar for the project are Ewbank and Partners of Brighton.

There is also a suggestion that on this occasion the company has enjoyed more positive diplomatic and other assistance from the *British Government* than has sometimes appeared to be the case in the past. Viscount Weir made a point of referring to the "valuable help" received from the Department of Trade and the British Embassy in Qatar.

Mid-East could spend up to £1.5bn.—Page 4

FEATURES

ON OTHER PAGES

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LOMBARD

A game of blind man's bluff

BY ANTHONY HARRIS

"FANSHAWE, there's a piece in the paper here about some stockbrokers called Greenwells who say that the latest Consolidated Fund figures show that there's been blatant overspending. Anything we can say about that?"

"Must be nonsense, Figgins. After all, *we* don't know what the figures mean, so how can anyone else?"

All right, it's a caricature; but the sad thing is that there's a disturbing grain of truth in it. Any company is run basically on *management accounts, which* look at sales, purchases, activity, stock levels and the like. The fact that your suppliers Higgs and Company have taken to demanding cash on the day of delivery, while your customers Biggs are slow payers is normally a problem for the Treasurer.

Credit control is one problem, company policy another, and managers know the difference.

Public affairs are run differently—as is to some extent inevitable. Public expenditure is actually carried out by such a multitude of people and for so *many different reasons that it is* in principle very hard to know what is going on at any particular moment. Some, like the Army Pay Corps, may know very precisely what calls they are likely to make on central Government; others, like the management of the Post Office, get their sums wildly wrong. Some pay their bills promptly, others more *sluggishly. The Treasury in its* role of manager is therefore rather short of information. Basically, there is an expenditure budget, drawn up in volume terms, and nearly a year ago, whose financial meaning is in *any case a little impenetrable*, and a full set of bank statements. The rest is interpretative ingenuity, spread rather thin. The Treasury accountants, bless their hearts, pride themselves on the fact that whatever may be happening to expenditure in general, their own department is very economically manned.

This month's much-discussed figures might have been drawn up to illustrate the whole problem. The major point which Greenwells unearthed—and for which they deserve all credit—is the importance of the so-called "contingency fund," a figure *which pops up about three times* a year—notably in July. This is one of those oddities of the British Constitution, like Black Rod or a full-bottomed wig, designed to preserve our traditional illusions—the illusion, in this case, that expenditure is controlled by Parliament. In April Parliament passed a Vote on Account to finance public expenditure for the first four months of the year, and for accounting purposes expenditure recorded under Supply Services *cannot exceed this sum*, even if actual spending overshoots. Overspending is met, in cash terms, from the Contingency Fund, and is only subsequently recognised as mainline expenditure when Parliament has authorised the payments in a Supplementary Estimate. (I would love to know who would pay if Parliament turned the supplementary down.)

So far, so good. In the first four months of this financial year, recognised expenditure reached £9,839m., compared with £7,004m. a year earlier; the over*shoot was £471m., compared with* £95m., and thus the rise in the total, from £7.1bn. to £10.3bn., was a matter of 45 per cent. But this is simply a bank balance figure: what about trends?

Factors

Greenwells draw attention to the fact that one odd item turned up last year and not this—a loan of £250m. to the build*ing societies which was mislead*ingly classified as "expenditure" (and has since reappeared as revenue). Allow for this, and the "real" growth is 50 per cent., and yah boo. However, two can play at special factors. It so happens, for example, that this year's civil service pay settlement went through rather smoothly (civil servants can smell pay restraint in the offing at least as well as the next man), so the backdated increase was paid much earlier this year than last. How much money is involved? Nobody knows — really they don't, because there is no central civil service pay office. If special factors are the ammunition of these arguments, an *unknown* is some*thing of a clincher. You see,* you *can't* discover the trend. Collapse of thin stockbroker.

Collapse, also, of British economy? No-one can say. Really, it would be more comforting to know that someone did have an accurate and up-to-date idea of the trend. Is it possible that, so far as expenditure accounting is concerned, economy has been carried a little too far?

RACING — BY DOMINIC WIGAN

Galway Bay again

LESTER PIGGOTT, who has rarely looked so pleased as when steering Dahlia into the winner's enclosure after their triumph in Tuesday's Benson and Hedges Gold Cup, can *land another* major York prize, the Crawford and Gilbey-sponsored Gimcrack Stakes (3.40), with *Galway Bay* this afternoon.

Piggott has ridden 63 winners on this, his favourite course, in the past five years—nearly twice as many as any other jockey. He will be bidding for *a second successive* Gimcrack following victory last year on Steel Heart. Galway Bay has a favourite's chance of giving him the double.

Mr. Jim Mullion's attractive half-brother by Sassafras to Sailing Ship first stamped himself as a high-class juvenile when running on gamely to beat the subsequent July Stakes winner, Super Cavalier, in the Coventry Stakes at Royal Ascot.

There, the well made Kingsclere bay made rapid headway to take up the running inside the final furlong, and stretching *out well*, he went clear to put two lengths between himself and the runner-up, who beat Tampa by a head for second place

On his only appearance since the Coventry Stakes, Galway Bay was not hard pressed to outpace Anemos (bidding for his fourth consecutive victory) in Ascot's Hyperion Stakes.

YORK
2.00—Major John
2.35—Panorealm
*3.10—Stamen**
3.40—Galway Bay**
4.10—Bay Express
4.40—Curtains***
5.10—Slim Jim

BRIGHTON
2.00—Star of Bagdad
2.30—Brompton Square
3.00—Happy Victorious
3.30—Melise
4.00—Falling Gold
4.30—Micted

DEVON
2.15—Bybrook
3.15—Puritan
4.15—Silver Serenade

Mr. Mullion's colt, a progressive sort, capable of a lot of further improvement, appears to have no more to do here than in his two Ascot races, and I expect to see him oblige without too much difficulty. Delta Song, from Captain Ryan Price's Findon stable which sent out Giacometti to win this race two years ago, may follow the selection home.

In a *somewhat sub-standard* running of what I consider Britain's most interesting sprint, the Nunthorpe Stakes (4.10) the three principals in Goodwood's King George Stakes—*Auction Ring, Hot Spark* and *Bay Express* —may again have the finish to themselves.

Bay Express, third there, *beaten by only half a length and* a short-head, was running much his best race for some time, and on more favourable terms with Auction Ring and Hot Spark he may prove capable of gaining his second success of the season.

Even if they fail to land the Nunthorpe with Auction Ring Dick Hern and Joe Mercer should not leave empty-handed, for I expect the Galtres Stakes (4.40) to concern chiefly the West Ilsley pair, *Curtains* and *Silk Rein*. The former, a fine Busted filly, produced her best form to date when comfortably conceding nearly two *stone* to Jolly Smooth at Goodwood recently, and she appeals as the probable answer.

APPOINTMENTS

Ideal Homes managing director

Mr. D. M. Calverley has been appointed managing director of NEW IDEAL HOMES and will retain his position as financial director of IDEAL BUILDING CORPORATION, the housing division of the TRAFALGAR HOUSE GROUP.

★

Mr. Richard F. N. Clark has joined the SCANDINAVIAN BANK as a manager in its international loans team.

★

Mr. Ronald Henry Dent has been appointed a non-executive director of POWELL DUFFRYN. Mr. Dent is chairman of Cape Industries and a director of Charter Consolidated and of English China Clays.

★

Mr. D. E. Wilde has been appointed a director of HOCROFT TRUST.

★

Mr. I. A. D. Monson has been elected a director of STEPHEN SMITH AND CO.

★

Mr. W. C. G. Cartwright has been appointed managing director of BRAID GROUP in succession to the late Mr. W. A. Gregson, who was chairman and managing director.

★

Mr. N. L. Smith has been appointed to the Board of DOLOI TEA HOLDINGS.

M. Henri Hassid, who has spent eight years with AUTOMOBILES PEUGEOT in North and South America, has succeeded *M. Bernard Terquem* as managing director of PEUGEOT AUTOMOBILES U.K. on the latter's leaving London, after five years with the company, to take up an important post with the Peugeot subsidiary in Johannesburg.

★

Mr. J. R. Kaye has been appointed secretary of ARBUTHNOT LATHAM HOLDINGS in succession to Mr. D. V. A. Craddock, who remains a director.

★

Mr. James M. Summers has been appointed area manager, Dundee, of BRITISH RAIL in succession to Mr. Robert Gibb, who *has retired*.

★

Mr. H. A. Whiteway has joined ASSOCIATED PLASTICS, the *Bolton-based manufacturers of* plastic environmental control plant, as chief executive.

★

Mr. Ben J. H. Timson has been appointed to the new position of industrial relations and safety officer with LONDON COUNTRY BUS SERVICES from September 8 next. He will be responsible to the managing director for industrial relations matters generally.

★

Mr. Manfred Pausch has joined *PITNEY BOWES* as planning assistant to the vice-president of European operations.

★

The INSTITUTION OF ELECTRICAL ENGINEERS (IEE) announces the appointment of four chairmen of divisions, all dating from October 1 next. Mr. I. L. Davies, deputy controller Air Systems D, Ministry of Defence, becomes chairman of the Electronics Division; Professor John Leonard Douce, Professor of Electrical Science at Warwick University, will take office as chairman of the Control and Automation Division; Mr. Maldwyn N. John, since 1972 a partner of Kennedy and Donkin, consulting engineers, becomes chairman of the Power Division, and Mr. J. R. Thompson head of the Department of Systems and Computing at the North-East London Polytechnic, takes office as chairman of the Science, Education and Management Division.

★

Mr. F. L. Garner, deputy chairman of *PEARL ASSURANCE COMPANY*, has joined the Board of R. GREEN PROPERTIES.

★

Mr. Thomas C. Thibault has been appointed deputy managing director of WELLS FARGO with responsibility for *loans*, syndications and marketing.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

TV/Radio

BBC 1

† Indicates programme in black and white.

10.00 a.m. Wacky Races. †10.10 Robinson Crusoe. *10.35* The Record Breakers. 12.55 p.m. Dechrau Canu: Dechrau Canmol. 1.30 Ragtime. 1.45 News. 4.23 Regional News (except London). 4.25 Play School. 4.50 Bewitched. 5.15 Newsround Extra. 5.40 Sir Prancelot.

5.45 News.
6.00 Nationwide (London only).
6.25 Private Lives.
6.50 A Question of Sport.
7.20 Top of the Pops.
8.00 It Ain't Half Hot Mum.
8.30 Robbie.
9.00 News.
9.25 The Opposition Reply.
9.35 "War and Peace" by Leo *Tolstoy, part 8.*
11.05 Nairn's Journeys.
11.35 Regional News.

All Regions as BBC 1 except at the *following times:—*

Wales—6.00-6.25 p.m. Wales To-day. 6.50-7.20 Heddiw. 11.05-11.40 Lord Shawcross at Home. 11.35 News of Wales.

Scotland—6.00-6.25 p.m. Reporting Scotland. 11.35 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. 11.35 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight *South-West (from Plymouth).*

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.25 p.m. Open University.
7.30 Newsday.
7.55 Cornish Shipwreck.
8.10 Vienna 1900.
9.00 All In The Family.
9.25 Ten Years of Man Alive.
10.15 Gardeners' World.
10.45 It's a Small World.
10.55 News Extra.
11.25 Closedown: Georgine Anderson reads "How to Get On in Society" by John Betjeman.

LONDON

10.25 a.m. The Houndcats. 10.45 A Big Country. 11.20 Spiderman. 11.40 Galloping Gourmet. 12.05 p.m. Bush Boy. *12.30 Hatty Town.* 12.40 Pipkins. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Time to Work. 2.00 Good Afternoon. 2.25 Racing from York. 4.25 Rainbow. 4.45 Sinbad Junior. 4.50 Cowboy in Africa.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Comedy Premiere.
7.30 Griff.
8.30 Pilger.
9.00 Moody and Pegg.
10.00 News.
10.30 The Opposition Reply.
10.40 Drive-in.
11.10 Elusive Geisha.
12.05 a.m. What the Papers Say.
12.20 It Matters to Me.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Fantastic Voyage. 5.20 Rock On With 45. 6.00 About Anglia. 6.20 Arena. 7.00 Gambit. *7.30 The Protectors. 8.00 Comedy* Premiere. 10.40 Orson Welles' Great Mysteries. 11.10 Maude. 11.40 Drive In. 12.05 a.m. The Living Word.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 4.25 The Funky Phantom. 4.50 Castaway. 5.20 Rock On With 45. 6.00 ATV Today including Police Five. 7.00 Barnaby Jones. 8.00 Comedy Premiere. 10.40 Gardening To-day. 11.10 Police Surgeon. 11.40 What the Papers Say. 11.55 Father Paschal.

BORDER

†1.25 p.m. Border News. 2.00 Women Only. 4.25 Catch Kandy. 4.50 Fantastic Voyage. 5.20 Rock On With 45. 6.00 Border News and Lookaround. 7.00 Movin' On. 8.00 Comedy Premiere. 11.10 Journey to the Unknown. 12.05 a.m. Border News Summary

CHANNEL

1.25 p.m. Channel Lunchtime News. 4.25 Follyfoot. 4.50 Castaway. 5.20 The Protectors. 6.00 Channel News. 6.10 *Woobinda. 7.00 The Six Million Dollar* Man. 8.00 Comedy Premiere. 10.30 Vision USA. 10.40 Acker at Large. 11.15 Night Gallery. 11.45 Actualities et Projections.

GRAMPIAN

12.10 p.m. Arthur of the Britons. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Grampian News. 6.10 Top Club. 7.00 Six Million Dollar Man. 8.00 Comedy Premiere. 10.40 Viewfinder. 11.10 Play a Tune. *11.40 Evening Prayers.*

GRANADA

10.30 a.m. Catch Kandy. 10.55 It's Fun to Read. 11.05 A Place to Live. *11.20 The Nature of Things. 12.15 p.m.* The Amazing Chan and the Chan Clan. 12.35 Cartoon. 1.20 What on Earth. 4.25 The Osmonds. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada News. 6.05 Rock On With 45. 6.35 *Here's Lucy.* 7.05 Combat. 8.00 Comedy Premiere. 10.40 Orson Welles Great Mysteries. 11.10 What the Papers Say. 11.50 Spyforce.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Around the World in 80 Days. 4.50 Shang a Lang. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Survival. 7.00 The Six Million Dollar Man. 8.00 Comedy Premiere. 10.40 The Baron.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.35 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd. 10.40-11.10 Born Deaf. 11.10-12.40 a.m. The *Final Solution (part 2).*

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

...11.55 a.m. Man and his World. 12.10 p.m. Exeter. 12.35 Professor Kitzel. 1.25 Road and Weather Report. 4.25 Tarzan. 5.20 Babar. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Thursday. 7.00 The Persuaders. 8.00 Comedy Première. 10.40 Late Call. 10.45 Festival Cinema.

SOUTHERN

11.00 a.m. Consider Science. 11.20 Our Asian Neighbours. 11.40 Wait Till Your Father Gets Home. 12.05 p.m. Skippy. 12.30 Hammy Hamster's Adventures on the River Bank. 1.20 Southern News and Weather. 2.00 Women Only. 4.25 The Count of Monte Cristo. 4.50 The Beachcombers. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 7.05 The Thursday Film: "Cast A Long Shadow," starring Audie Murphy. 10.40 The Late Film: "Crosscurrent," starring José Ferrer. 12.20 a.m. Southern News Extra.

TYNE TEES

12.35 p.m. Starting Point. 1.25 Where the Jobs Are. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 To-day at Six. 7.00 The Zoo Gang. 8.00 Comedy Premiere. 10.40 The Odd Couple. 11.10 A Place in History. 11.40 Late News Extra. 11.45 Life With a Capital Jesus.

ULSTER

1.20 p.m. Ulster News Headlines. 4.23 Ulster News Headlines. 4.25 Lost In Space. 5.20 Rock On With "45." 6.00 Summer reports. 7.00 Six Million Dollar *Man. 8.00 Comedy Premiere.* 10.40 Gardening To-day. 11.10 The Adventurer. 11.40 Who Matters?

WESTWARD

11.50 a.m. Let's Face It. 12.15 p.m. The Tomfoolery Show. 12.30 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Follyfoot. 4.50 Castaway. 5.20 The Protectors. 6.00 Westward Diary. 7.00 The Six Million Dollar Man. 8.00 Comedy Premiere. 10.42 Westward Late News. 10.45 Acker at Large. 11.15 Night Gallery. 11.45 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Tarzan. 5.20 Rock On with 45. 6.00 Calendar. 7.00 *Zoo Gang.* 8.00 Comedy Premiere. 10.40 Calendar People. 11.10 "Spare Tyres" (TV Film). 11.40 Drive-In.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Ed*monds. 9.00 Tony Blackburn. 11.00* Dave Lee Travis with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker including the new Top 30 LPs. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. *News Summary.* 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Tony Brandon (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening. 2.02 David Hamilton (S) as Radio 1, but *including on 1,500m only (also 202m* Scotland) 2.45, 3.45 and 4.45 Sports Desk, and at 3.40 Racing from York. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 Sports Desk. 7.32 Robin Richmond: The Organist Entertains (S). 8.02 Folk '75 (S). 8.30 Folkweave (S). 9.02 Those *Were The Days in Radio 2 Ballroom (S).* 10.02 Sports Desk. 10.05 Tom Edwards (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 *Morning Concert (S).* 9.00 News. 9.05 This Week's Composer: Bach (S). 9.45 Music for Voices (S). 10.20 Strauss Concerto, Haydn Symphony (S). 11.10 Violin recital (S). 12.20 p.m. Schumann Ballads (S). 1.00 News. 1.05 Chopin piano recital (S). 1.55 Two One-act Operas by Gustav Holst, part 1: "At the Boar's Head" in one act (S). 2.55 Holst and Opera: Michael Short discusses Holst's life-long preoccupation. 3.05 Two Operas by Holst, part 2: "The Wandering Scholar." 3.40 Master Lesson by Thea King (S). 5.15 Bandstand (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.40 Study on 3. 7.30 Proms concert, part 1: Schubert, Britten (S). 8.30 The England of Jane Austen (talk by Dr. A. L. Rowse). 8.50 Proms concert, part 2: *Sibelius (S). 9.40 Plato's Republic (S).* 10.55 Beethoven Variations (S). 11.25 News.

Radio 3 VHF only—6.20-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. *6.40 Prayer for the Day.* 6.45 To-day including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day: 7.27 Sports Desk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day: 8.27 Sports Desk and 8.35 To-day's Papers. 8.45 Professor *Weissaul's Vital Statistics.* 9.00 News. 9.05 These You Have Loved (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Wogan's World. 11.50 It's an Odd World. 12.00 News. 12.02 p.m. You and Yours. 12.27 Does the Team Think? ‡12.55 Weather, programme news: VHF (except London and S.E.) *Regional News.* 1.00 *The World at One.* 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report: VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 I'm Sorry I Haven't a Clue. 6.45 The Archers. 7.00 News Desk. 7.30 *27 Years of "Any Questions."* 8.00 The Trial of Adolf Eichmann. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 Think Tank. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including London News Desk at 5.0; 6.0. 7.00 In Town 8.00 Getting Going. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

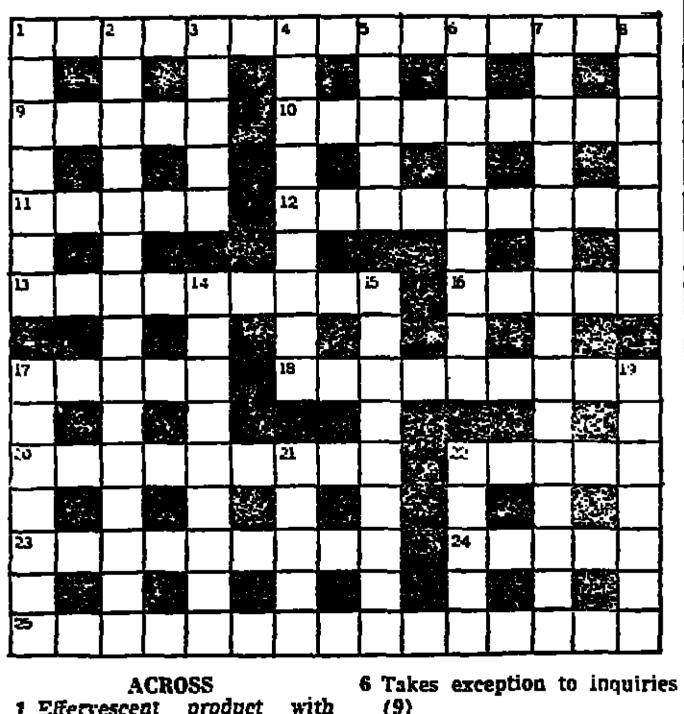
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "A.M." breakfast-time news show, with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Love in London. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop". 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Greg Edwards and his late night show. 2.00 a.m. Night Flight.

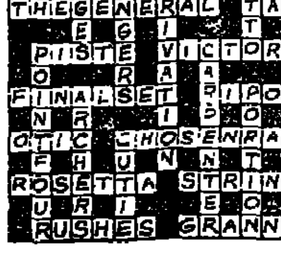
F.T. CROSSWORD PUZZLE No. 2,860



ACROSS
1 *Effervescent product* with peach makes a dish (6, 3, 6)
9 Company commanding officer gets a drink . . . (5)
10 . . . and kitchen boiler provides another (3-6)
11 Restrict the capacity (5)
12 Dashed round about ten and punished (9)
13 The way one with a chill becomes frigid . . . (5, 4)
16 . . . or takes in article which is different (5)
17 Prize following degree in Lancs (5)
18 Is his duty customary? (9)
20 Go to waste in the garden (3, 2, 4)
22 Craftsman left in a row (5)
23 French darling she'd cared for (9)
24 The isle of Grace (5)
25 Fill up the mouth and mature (3, 4, 3-5)

DOWN
1 Bends and fastens (7)
2 With general agreement through ordinary trick despatched (2, 6, 7)
3 The smallest oriental in the final (5)
4 Using skill I constrict the plant (6)
5 Drink with one producing play (5)
6 Takes exception to inquiries (9)
7 Demeaning oneself and taking in 1 across? (6, 6, 3)
8 We hear it's one who wants a masseur (7)
14 Report disturbing sex in pool (9)
15 Certainly choose 550 with your head (9)
17 Carbolic mixture student dropped to make a type of powder (7)
19 East Anglian home of canaries (7)
21 Habitual characteristic found in sweet hostess (5)
22 One in diplomacy is silent (5)

Solution to Puzzle No. 2,859



هكذا من الأصل

Record Review

Two sopranos

by MAX LOPPERT

The Incomparable Victoria de los Angeles. 3 records in box. EMI SLS 5012 (£6.60)
Ponchielli: La Gioconda. Callas, Barbieri, Amadini, Poggi, Silveri, Neri/Ch. and Orch. of RAI, Turin/Votto. 3 records in box. Ember GVC 3456 (£3.25)
Rossini: Il barbiere di Siviglia. Callas, Gobbi, Alva, Ollendorf, Zaccaria/Philharmonia Ch. and Orch./Galliera. 3 records in box. EMI SLS 853 (£6.60)
Maria Callas: Arias by Verdi, Bizet, Gluck, Saint-Saëns etc. HMV Concert Classics SXLP 30166 (£1.99)

Last May Victoria de los Angeles celebrated at the Festival Hall the 25th anniversary of her first Wigmore Hall recital. It was a sad occasion. The debilitation of the voice refused the singer, and her audience, that joyous communication through song of which she, and they, were plainly expectant—something an exceptionally testing programme did nothing to conceal. At the time it seemed wiser not to commemorate so strained an evening in print; better far to hope for future appearances in which the vocal strengths that obviously remain would be more comfortably presented.

Now more suitable cause for celebration comes from EMI: a 3-record album from the golden years of the career, which explores with especial value the early part, when recordings first began to display to a wider world the ecstatic abundance of the Spanish soprano's art. The selection also touches the LPs of the 60s; but the concentration is on the late 40s and early 50s, when first in the Barcelona studios, then in London (around the time of the BBC 1948 studio recording of Falla's *La vida breve*), then in opera sets produced from Milan, Rome and Paris, the unique characters and qualities of the voice were given happy, frequent exhibition.

Two songs from 1947, from the first-ever de los Angeles recordings, begin the survey — sweet *tonadilla* airs, in creakingly inapt orchestrations, touched lightly by the youth of the voice. The grand career proper commences with the *Vida breve* aria of 1948 and, triumphantly, with the *scena* from Granados' *Goyescas* a year later. "Vivan los que rien!", sings Falla's melancholy Salud—"long live those who laugh": a key to the singer's genius for the expression of a natural, unforced nobility of grief that is the obverse side of the natural fount of laughter the voice elsewhere so artlessly contains. It is a guileless outpouring, free, shining, with rich tints; words are formed with much less point than in the three later versions of the aria, particularly that from the second complete opera set; the climax floods out, with none of the pinching on top or thinning of support that began to creep in a decade later.

"La maja y el ruiseñor" from *Goyescas* is perhaps the high point of the set, and of all the recordings—if a voice that took so gloriously to the gramophone can be restricted to a single peak among so many mountain wonders. Rosario, the musing heroine, extends a single musical reflection into a rapturous meditation; the voice pours forth its soul "abroad in such an ecstasy." Keats and *his* nightingale seem to enter the scene (it cannot be too fanciful, surely, to discover in the voice here a Keatsian quality, "with ripeness to the core.")

Was it an operatically adaptable vocal ripeness? The album, with arias from famous de los Angeles parts, testifies to an operatic personality most itself in sweetness, aristocratic refinement of feeling, resolves of delicate sentiment, less so in heroism or grand passion, artifice or guile. Desdemona in prayer and *Mimi* in tenderest farewell (these from the 1954 Rome recital), a transfigured Butterfly, Elisabeth and Elsa (despite the rather Iberian German)—these sit naturally on the voice. Manon (from the 78 Farewell once

Book Reviews will appear on Friday

judged by the *Record Guide* too slow and sentimental) and Marguerite lack coquettishness; Rosina is "docile" but hardly a "vipera." Carmen, later in the 50s, sparkles with an impudent wit owing, certainly, something to Beecham on the podium—nothing of the fatal temptress here.

Not an untheatrical personality, then—rather, one untouched by the darker shades of human emotion. The focus on this limitation (but is it really such?) is even clearer in the songs. No *mélodies* or Lieder, but a complete sampler of Spanish song. The want of gipsy throb in the Falla Seven Popular Songs was more marked in this 1951 account with Gerald Moore than in the later, with Soriano. In *Hablame de amores*, the delicious Ernesto Subirats song, knives, jealousy and Spanish pride turn to bewitching, light-hearted comedy. Plentiful examples of medieval and Renaissance lyrics reveal now a certain romance in the interpretation; yet, as J. B. Steane's *Grand Tradition* puts it, the "chorister's purity . . . is an excellent defence against anything too palpitating . . .: the voice asserts a purity of sound that speaks of fields and churches rather than opera house and concert hall."

An essential collection, in sum. Regrets for what is missing—Mélisande; comparative rarities like her "Porgi amor" and "V'adoro pupille" from *Giulio Cesare*; the Ravel, Fauré and Respighi songs; more of the Rome operatic recital, especially the arias from *Mefistofele*, *Ernani*, and *La Wally*; the duets with Fischer-Dieskau — amount only to a plea for Volume 2. The accompanying booklet is fulsome, unilluminating; the texts are littered with mis-spellings and other errors; the second half of the *Lohengrin* excerpt is omitted from both German and English columns; in several of the *cantigas* verses are printed which are not sung.

For the Callas records returning so necessarily to circulation, Mr. Steane's book is an indispensable reference, and the Ardoin/Fitzgerald *Callas* an indispensable companion. The bargain record of Italian and French arias makes a good starting point for those still unexposed to the Callas mystery—or is it sorcery? Mystery, as we listen to the 1961 "Divinités du Styx" while studying the photographs of the 1954 La Scala *Alceste*: the vision and the voice speak of an Attic heroism, a Classical grandeur, a more than mortal fire (even the searing strain on top tells of resolve almost unbearable). Then "Printemps qui commence" from *Samson et Dalila*, with a pull in each curve that transforms the much-mocked temptress into a figure of barbarian splendour—purring, magnetic, irresistible. Mystery and sorcery meet in Lady Macbeth. With Tosca and Carmen, this is a representative record.

The two reissued operas are not quite quintessential Callas—we wait for the *Normas*, the *Lucias*, those Verdi operas presently unavailable. Her Rosina sparkles with high-tension wit that proves at moments uncomfortable ("vipera," certainly; but "docile" and "rispettosa"?) The tender heart of Rossini's heroine is missing. Exhilarating all the same, with Alva and Gobbi on fine form. The earlier of the two Callas *La Gioconda* sets is back, its sound no fuller than before, and with half the cast dead weight (Fedora Barbieri offers a traditional yet compelling Laura). It serves as an exhibition of the young Callas, the near wildness of the voice in the opening scene clearing later to a desperate urgent brilliance. In the final duet, one stops hankering for greater Verdian finish to the opera, riveted by the crackle and the dazzle of the phrasing. How interesting that de los Angeles and Callas, nightingale and high priestess of the century, should both be born in 1923.

Aldwych

Jingo

by B. A. YOUNG

"Boo!" called a patron behind me as the company came on to take their bows. "Absolute rubbish!"

Certainly there is nonsense involved, for Charles Wood's theme is the defence, or non-defence, of Singapore in the second world war. Military historians agree that the plans for denying Singapore to the Japanese with guns pointing the wrong way and defences unbuilt lest they lower morale were less than perfect. It is generally conceded that the hasty extraction of troops, valuable from a logistic point of view, might have exacerbated the unextricated portion of the population. But surely the great British people weren't responsible! Surely by now Singapore must be as signal a victory as Dunkirk.

Charles Wood has reduced the whole gamut of responsibility into the personalities of a handful of men and women of medium rank—Ian, a Regular major, George, a war correspondent disguised as a major, Gwendoline, the flighty woman to whom they have in turn been married, a brigadier on the Staff who (presumably) has something to do with operations when he is not trying to seduce the lady at dinner-parties, a pugnacious planter. The Regular does what he can to improve the defences. The war correspondent pumps fatuously optimistic commentaries over the air. Both of them, in the end, turn out to be personally brave men; and even Gwendoline proves to have stamina enough to see her through the emergency without reliance on her attendant males, and even to join the FANY when she gets back to England.

There is no real blame attached to these characters. They are doing what people in their position at the time would normally have done. The silliest thing about them by to-day's standards is their attitude towards the Singapore Chinese who work for them. They discuss their most private affairs in the presence of servants. They expect unquestioning loyalty when they offer neither succour nor reward in exchange. So strongly are these attitudes ingrained that the Chinese accept them as readily as the British. With the Japanese at the gates, Gwendoline, unable to pay for the last two bottles of beer in Raffles Hotel which the room-boy has just brought her, hurls a bunch of her husband's shirts at him for the laundry. He accepts them impassively; and what's more, the laundry *is* done.

Where Mr. Wood shows his talent is in presenting all this through the medium of a Cowardesque romantic triangle. It is true that the triangle is not explored in great depth, and its sides are periodically distorted by extraneous forces; but if one were asked to tell the story of the play in a few words, one could legitimately say that it concerns the battle of two men over a flirtatious girl. Mr. Wood's dialogue is wonderful; he has an ear for cult phrases and invents exaggerations of "in" conversation that sound authentic and derisive at the same time.

Two of the three main characters show unexpected casting. Anna Massey makes Gwendoline a tough independent girl, not so young as she was but determined on a good time, and utterly frank about her shortcomings. George, her current husband, is played by John Standing, who has abandoned his familiar role of handsome romantic and produced a true character part, a pleasant middle-class drip who has been elevated above his natural resources by the fortunes of war and is well aware of his inadequacy. "There is a quiet dignity in the way I admit to being a fraud at once," he remarks at one point, and that puts him into a nutshell. Ian, the Sapper major, is played by Michael Williams; he is, as they used to say in examination papers, a "foil" to George, a typical field officer who has devoted his career to being just that. Mr. Williams does him justice.

There is richness in the supporting parts. Peter Jeffrey is the frivolous brigadier who sometimes shows accidental signs of being good at his job but ends up in a welter of masochistic self-pity. There is a notable sketch by Bernard Lee as a planter; having sent his wife to Singapore to find a boat, he intends to burn his trees and go after the invaders with a bicycle, a shotgun and a tiny Chinese dance-teacher (Yasuko Nagazumi). As the room-boy who combines incipient independence and built-in obedience, Eric Young makes a lot out of a short part.

There are imaginative designs by John Gunter that display the gradual decay of elegance as the enemy approaches; and faultless direction by Richard Eyre that fully maintains the reputation he has built up for himself at Nottingham.

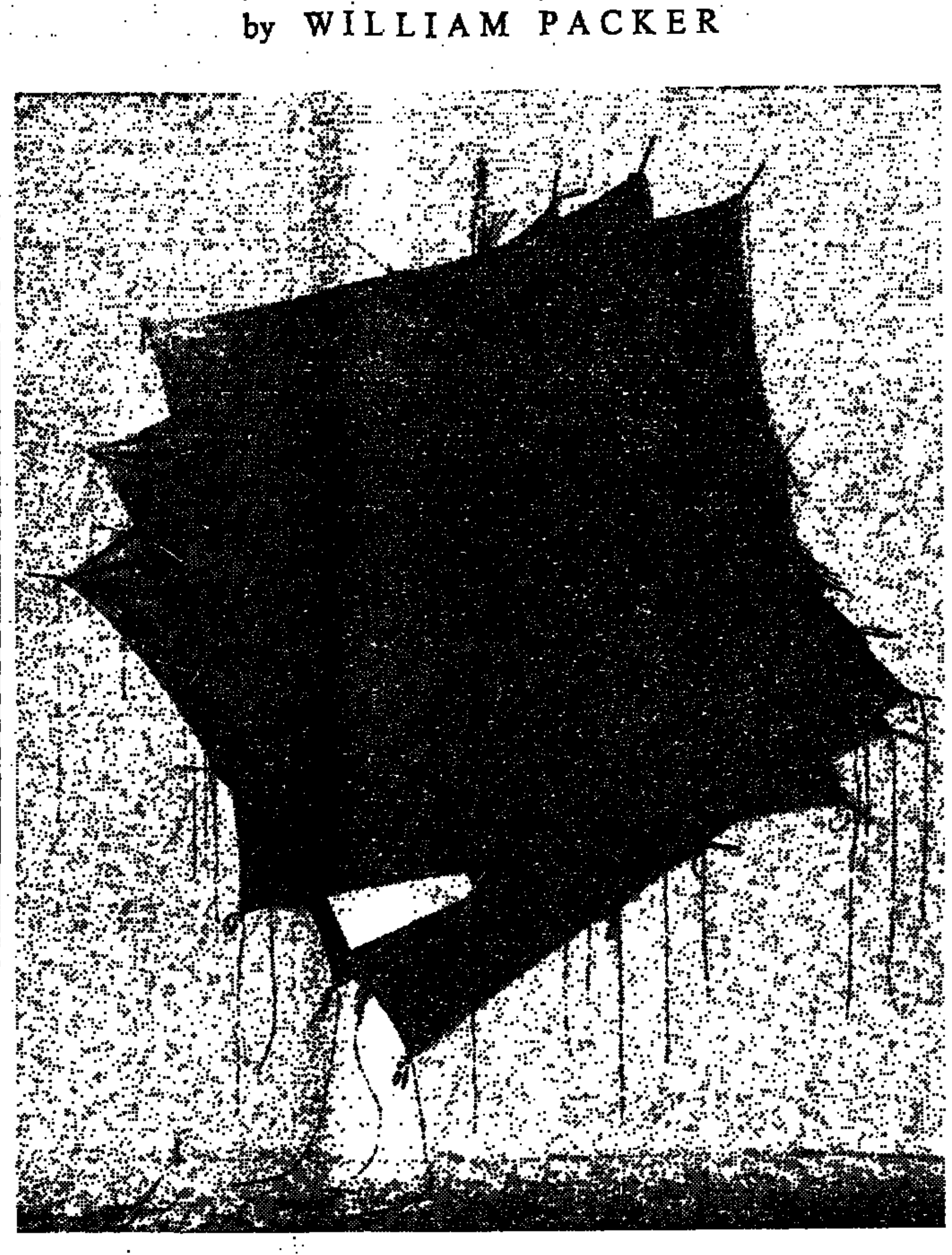
Jingo is not at all my idea of rubbish. To me it seems like a play of something like genius, with its transmission of serious thought through light-hearted action. It is not nice to be reminded of past errors, but when the pill is surrounded by jam of such delicious quality we ought to be able to swallow it. We don't want the symptoms breaking out all over again.

Dennis Wicks as Baron Ochs and Anne Evans as the Marschallin in the English National Opera's "Rosenkavalier," which opened at the Coliseum last night. Max Loppert will review the performance in to-morrow's paper

Tate Gallery

Richard Smith

by WILLIAM PACKER



Richard Smith flies a kite

Richard Smith, one of the most respected and securely established of our younger middle generation of painters, is now enjoying the compliment of a major exhibition of his work, which remains on view at the Tate Gallery until the end of September. In the late 'fifties and just out of the Royal College, one of the tiny group of artists not only aware of post-war American painting but prepared to respond to it intelligently, Smith had the good fortune to find himself doing the right thing at precisely the right time; and to such effect that within a year or two he had achieved the eminence of a Grand Young Man of English art.

His first one-man show of all was in 1961 at the Green Gallery in New York, a show which pitched him at once into the international mainstream, where he has sported ever since. Regular shows at Kasmin, and prestige-laden forays abroad, have kept his career on its inexorable course: and it has to be admitted that each time we have felt bound to go along to see the latest offerings; that each show was an event of more than passing interest. Whatever one's doubts of its ultimate importance, the relationship of his work to current painterly preoccupations, its innate seriousness and its ambitious scale all commanded respect.

The retrospective exhibition is a severe test for any artist. It may mark incipient apotheosis, that leap beyond criticism, but more probably will reveal at least one clay foot. The advantages are on our side, for we may see the work clearly and whole, taking rather less for granted, in terms of fashion or performance, and making fewer allowances for promise or plausibility than when we saw it piecemeal. An artist with Smith's reputation, sooner or later, must face this ordeal by exposure.

He is an artist who works steadily through his ideas, each show a coherent exposition of the stage he has reached in their investigation, ordering and clarification. It was an extremely happy inspiration, therefore, apparently Smith's own, to dispose this exhibition, so far as possible, as the re-assembly of some of these separate stages in the development of his work. We start with the very latest objects, kite-like structures that hang from the ceiling or away from the wall, and then move abruptly to the paintings shown fourteen years ago in New York; and so, room by room, back to the present. It makes a great deal of sense, demonstrating the overall unity of the work, with one thing leading to another eventually, and yet isolating the particular formal interests with which he was predominantly concerned at any one time.

Those early paintings help to explain how Smith came to be taken up so promptly. They are large, very large for the time, and extremely seductive, carried off with disarming sophistication and assurance. They are unaggressive and easy-going, the images stated casually and softly, but none the less sure and effective for that. They show Smith standing confidently and easily in the no-man's-land between abstract expressionism and pop art, the rival factions of the time. On the one hand we see the loose, gestural handling of the paint, the rich and pure colour, the concern for the surface of the canvas; and on the other the imagery, a simplified heraldry culled from large-scale advertising. For a while the imagery triumphed, and the next show was less happy. The attempt to move freely between pictorial and actual space failed, and the results now look very tired, inept and dated; though they seemed exciting enough then. The painter may suggest, but the sculptor must provide. The real thing placed a premium on craftsmanship that Smith could not pay.

He has remained faithful to these fundamental contradictions: the image made real becomes sculpture; move beyond the surface and you move back to painting. The painting is both stuff and illusion, simply itself and more than itself. The exhibition takes us through his skirmishes with these ideas, some resolved successfully, even impressively in the case of the shows of 1968 and 1969, others less so.

The latest work, developed over some four years, takes a simple piece of canvas, the painter's raw material, carrying perhaps a rudimentary image. It is stretched by rods, like a kite, falling open in part by its own weight, hung from the wall by a string that moves on across the surface, as it were a drawn line and activating the space and surface as such, to fall away at last, only itself again. There is no deception: everything is what it is. Or, more complex, one piece is laid upon another, a minimal physical recession, but the painter's stock-in-trade, capable of suggesting a space as deep as you care to imagine. They hang with studied casualness against the wall; take them or leave them.

Smith is a consummate performer by now, doing all with grace, tact and panache. His work is often beautiful and sometimes exquisite. But doubts remain: such qualities are those of the stylist, not necessarily of the artist. A refined sensibility is not enough. The elegant variation does not always carry the business forward. Is it only a game that he plays so well? With Smith the question is still open. In mid-career he has done *enough not only to deserve but* to need this show; but we must be careful that it is his work, and not his reputation that we are honouring.

Arts news in brief

An exhibition of over 200 pieces of plate from the colleges of Cambridge University, the City of Cambridge, the National Trust (Anglesey Abbey) and the Fitzwilliam Museum, Cambridge, originally organised by the Fitzwilliam, has been lent to the V. & A. and will be on display there from September 4 to October 5. As well as many examples of important historic plate, there will be many modern gifts and commissions, borrowed mainly from Churchill College, Fitzwilliam College and St. Catherine's.

*

The London Symphony Orchestra has announced that Professor Eugen Jochum has agreed to become "Conductor Laureate to the London Symphony Orchestra" for two years starting the season 1977-78.

Prof. Jochum has recently signed an exclusive recording contract with EMI Ltd. Many of these recordings will be made with the LSO. He made his debut with the orchestra in March this year, and subsequently made his first recording with them of Elgar's Enigma Variations and Brahms' Haydn Variations for Deutsche Grammophon.

The new post of "Conductor Laureat to the London Symphony Orchestra" is intended to uphold a tradition established by such names as Hans Richter, Artur Nikisch and Josef Krips for outstanding interpretations of the German classics.

*

The week beginning September 14 will be British Week in Baden-Baden. The festival is being held to strengthen the spa's 120-year links with this country. The Richmond Fringe Theatre will present the European premiere of their musical, *The Lady or the Tiger* (adapted from a story by Frank Stockton by Michael Richmond; music by Nola York). There will be Anglo-German tennis, golf, swimming and cricket events, performances by the band of the 1st Bn. The Queen's Own Highlanders, and an exhibition of British consumer goods. City of London policemen will be on point duty.

*

The first major exhibition of the work of Burne-Jones since his death in 1898 will be mounted by the Arts Council at the Hayward Gallery in November. In over 300 works it will cover his entire career as both a painter and designer.

King's Head

Madame de Sade

by MICHAEL COVENEY

Yukio Mishima, the well-known Japanese novelist and playwright, committed hari-kiri in 1970. In his introduction to this play, the first of his 33 to be produced in this country, he claims to write about the Marquis de Sade as "seen through women's eyes" and proceeds to draw a picture of the faithful Marquise that is both touching and profound. Around the Marquise gather a selection of female characters each affected by the marriage of Renée to the imprisoned high priest of Debauch: Renée's mother, a stalwart of the Parisian nobility, her sister (who eagerly recounts a luscious experience with her brother-in-law on a tour of Italy), and the unrepentantly hedonistic Madame de Saint-Fond who, complete with riding boots and fantasies of replacing Madame de Montespan at the court of the Sun King, embodies a totally receptive response to the Marquis's example.

Mishima sets the play in Japan and I feel it is a serious mistake of Andrea Morein's otherwise absorbing production to leave it there. I just do not believe in Heather Chasen (as Saint-Fond) as a remnant of old Japanese amorality, displaying thigh boots and cracking her *riding whip to the accompanying* rustle of a bamboo interior design. But, setting that aside, she asks Renée all the right questions. They all know about the whips and the aphrodisiacs in a crystal box. But how did he treat *her*? The answer, delivered with an irate precision by Marilyn Taylerson is "If you were to see our marital bed, there is nothing there that I would want you to keep secret."

From this announcement, Miss Taylerson builds an eloquent plea for her status as a *bona fide* Devoted Wife. Of course she knew about the girls and the servants and the humiliation and the shame. And she even swung naked from a chandelier we gather, in one orgy in order to please her husband. In the second of two powerful scenes with her mother, she talks of the Marquis acting as a sort of threshold between herself and the impossible and replies spiritedly to the disapproval of her family: "The world is full of people who despise what they cannot imagine."

It must be clear by now that Mishima has made no attempt to recreate in theatrical terms the dangerous ecstasy or challenging sexual anarchism of de Sade (perhaps just as well—the Italian stage version of *120 Days of Sodom* was a reminder, last year, of how such an attempt can backfire). The Marquis remains a tantalisingly distant figure, until the last scene when his presence on the doorstep as a free man (the year is by now 1790) is reported. Renée will not see him. She has read all the books and the architect of an imperishable cathedral of vice that she recognises in print in no way corresponds to the man whose honey she sucked when the whores were booted out the door. On one hearing, Ronald Keene's translation strikes me as an elegant piece of work. And Miss Taylerson, in a beautifully controlled and descriptive performance, serves it very well indeed.

Soho Poly

B Movie

by MICHAEL COVENEY

Robert Walker's lunchtime play starts with a good idea. Easily identifiable Hollywood types cluster in a bar for no apparent reason than to fire off cliches and threats at each other. A fat, scowling barman cleans the glasses while a piano player doodles on his tinny instrument. Gloria (Pat Quinn) eases on in a beautiful 'forties gown. Gloria Grahame and a dash of Judy Holliday. Sam (John Bay) ambles on in an elaborately double-breasted mackintosh and orders a large rye. Humphrey Bogart. Gloria baits Sam but is interrupted by the sweaty intrusion of Peter (Simon Callow) who jabbers on about Albertino's boys and looks as though a bomb might go off in his pocket at any moment. Peter Lorre, but speeded up.

As Mr. Walker has nothing to say about these characters, the fun of the piece can only really reside in the accuracy of the camp. Some weak casting proves almost fatal, but Miss Quinn and Mr. Bay play with considerable finesse. Miss Quinn's rendition of "It's Only A Paper Moon" is alone worth the price of a seat, and there is some nicely edged dialogue in the final moments as Gloria, dying on the floor, forces Sam to tell her about the life they might have lived together in Mexico. As Peter, Simon Callow is energetic and meticulous, but he misses the Lorre brand of quiet panic by a mile.

When Big Mac (Christopher Ryan) inevitably arrives, a small amount of carnage ensues. And the first to go is Peter. He is followed by Gloria, whose suddenly projected escape from her hick surroundings is viciously denied. Mr. Walker himself directs a show that, re-cast and re-worked, could yet live up to its promise. Jane Ripley has designed a marvellously realistic saloon in dull browns and fading yellows.

WORLD TRADE NEWS

WEIR-WESTGARTH'S £30m. ORDER

Mid East could spend up to £1.5bn on desalination

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EDINBURGH, August 20.

THE QATAR Government's award of a £30m. contract for four major sea-water desalination plants to the Glasgow-based company Weir-Westgarth is a significant milestone in three main respects.

First, it confirms a *revival in* the market for desalting equipment which, according to Weir-Westgarth had gone "very flat" until about 18 months ago—so much so that it was abandoned by some competitors, notably Westinghouse of the U.S.

For the Glasgow company, the *initial sign of revival came last* year with the award of seven orders worth £10m. Most were for plants in the Middle East, where the company's assessments indicate an exploding demand for large volumes of fresh water to serve ambitious industrialisation programmes.

The company says that Saudi Arabia reckons it will install plant with a capacity of some 350m. gallons a day over the next five years, and that the figure is likely to be nearer 500m. gallons daily if other Middle East states are included. At current prices that would represent an investment of some £1.5bn.

Secondly, the latest contract indicates a big leap forward *in* plant sizes. The Qatar order is *for four units* with a design capacity of 5m. gallons a day each—double the guaranteed output of most of the larger plants so far ordered.

It is claimed as the largest placed in Britain, and among the three largest so far *undertaken* anywhere in the world. Orders *for two larger plants* which Weir-Westgarth failed to secure in 1971-72 from Kuwait and Hong Kong, went to French and Japanese competitors.

The Glasgow company is now conducting design studies on the *feasibility of installing units in* multiples of 10m. gallons daily capacity, but feels that a point is now being reached where there will cease to be an economic and operational advantage *in* "going bigger."

Thirdly, the Qatar order is a much-needed vote of confidence in British desalination technology, which was pioneered *by* Weir-Westgarth. The company, which has *recently created* desalination and heat-exchanger *affiliates in* Italy, France and Spain, has been designing desalting equipment (mostly for ships) since the end of the last century. It achieved a technological lead in 1955 with the development of its multiple-stage flash process which drastically cut capital and running *costs*.

It now faces severe overseas competition, however, notably from later entrants to the market such as Mitsubishi, of Japan; Sidem (Societe Internationale de Dessalement), of France; and SIR (*Societa Italiana Resine*), of Italy, which have also been *attacking* the oil-rich Middle East markets aggressively.

Weir-Westgarth, essentially a design and management enterprise with about 150 employees, *is currently tendering for* another £60m.-worth of desalination business in the Middle East.

Yugoslav trade pattern changing

By A. Lebl

BELGRADE, August 20

THE GENERAL dissatisfaction of the Yugoslavs with the results of *their foreign trade* this year has been partly relieved by what *is considered a* success in changing the regional pattern. The *excessive* reliance on trade with Western countries has always been a cause for concern, as this sector is volatile and heavily in the red.

Efforts have been directed towards increasing trade with the developing countries first of all, and then with Socialist coun*tries as well, with whom trading* has been more or less balanced.

In the first seven months of 1975 exports to the developing countries increased 63 per cent. above the equivalent 1974 period, and their share in total exports reached 16.81 per cent. That was the target envisaged for the closing years of this decade—in recent years it has been between *10 and 14 per cent.*

Exports to socialist countries rose 23 per cent., and their share in the total was 47.1 per cent. Shipments to the developed countries dropped 25 per cent., bringing their share down to 36.2 *per cent.*

The import side, however, was different. Imports from developing countries almost equalled the 1974 figure and represented 14.6 per cent. of total imports. By value they were *almost double* Yugoslav *exports* to those countries.

Imports from socialist countries increased 8 per cent. for a 23.8 per cent. share, and those from Western industrialised nations were 12 per cent. higher, with a 61.5 per cent. share. The ratio of exports to and imports from those countries was close to one in four.

European talks on Hong Kong textiles

COPENHAGEN, August 20.

NEGOTIATIONS WITH EEC countries to get Hong Kong winter clothing moving to the EEC countries began here to-day.

Mr. *David Jordan*, Hong Kong's chief trade executive and his deputy, Mr. Lawrence Mills, met the Danish Importers' Association to discuss problems in the implementation of the month-old agreement for Hong Kong to *limit textile exports to the EEC.*

The two men were later flying to Bonn and were then to visit The Hague, London and Brussels.

Mr. Mills said the new agreement had become effective at the most difficult time of the year, just as Hong Kong merchants *normally started* shipping winter clothing to Europe.

"There are a lot of cargoes standing on the docks in Hong Kong," he stated.

It was a question of sorting out with European buyers what items *could be shipped* in the light of the restrictions accepted by Hong Kong, he explained.

AP-DJ.

Ghana ban on some imports

By Our Own Correspondent

ACCRA, August 20.

THE GHANA Ministry of Trade and Tourism has announced that with immediate effect all textile imports, whether or not imported under specific *special* un-numbered import licences, are banned. The ban affects *suiting* materials, shirtings, Crimplene, woven and knitted fabrics and certain types of thread.

The Ministry explained that the ban was to protect the domestic textile industry and encourage domestic consumption of locally-manufactured textile *goods.*

Mattress covers and heavy up*holstery fabrics for the furniture* industry and other textile products for industrial use which are not locally manufactured will be exempted from the ban, provided *it can be proved to* the satisfaction of the Commissioner for Trade and Tourism that they are exclusively for industrial use.

The Ministry's announcement warns importers that penalties *attached to a breaking of the ban* are severe, and that textile goods imported in contravention of the ban are subject to confiscation.

EEC in trouble with GATT

BY DICK WILSON

A GATT report is circulating *which spells out a number of* instances where the EEC has defaulted on its obligations under the Multi-fibre Textile Arrangement (MTA) which was signed at the end of 1973.

The EEC, along with the U.S. *and other textile importers*, had been given a year in which to end its existing restraint pacts with low-cost supplying countries and replace them, if necessary, by new pacts conforming to the requirements of the MTA. It is *now 18 months since the MTA* came into effect.

The eight-man Textiles Surveillance Body *was asked by* the GATT Textiles Committee to report *in detail on how the* MTA had been implemented in *its first 18 months.* The 22-page report, now completed, contains a strong, if diplomatically couched, indictment of the EEC, the Scandinavian countries, Australia and Canada for failing to observe the MTA they had all *helped to negotiate* two years ago.

The committee will probably not convene again until October.

Winter sports plan for North Pakistan

By Kevin Rafferty,
Asia Correspondent

AUSTRIA AND Pakistan are to sign an agreement under which the former will help to set up a ski slope and winter sports facilities in the Swat area of northern Pakistan. Austria will provide a loan of Sch.22m. *(£575,000) over the next 10 years* to offer technical assistance.

It will be several years before the area is fully ready, but the Pakistan tourism ministry is pressing ahead. A site has been selected, the road built, power lines extended, drinking water laid on and the design chosen for an hotel.

Mr. Roedad Khan, the Pakistan Tourism Secretary, who is this week *in Vienna to sign the loan* agreement, believes his country has enormous and as yet untapped tourist potential. The northern areas of Pakistan and Azad Kashmir include the Karakoram mountains adjoining the Himalayas. *This mountain chain* includes the world's second highest mountain, K2, as well as a number of peaks over 20,000 feet.

Some of the lower slopes, according to the Austrian advisers who have visited *the area* around Swat, would be highly suitable for skiing and a wide range of winter sports.

India's exports up 31% in 1974/75 but deficit at peak of £563m.

BY K. K. SHARMA

NEW DELHI, August 20.

INDIA'S EXPORTS for 1974/75 totalled Rs.33.4bn. (£1.8bn), a rise of Rs.7.81bn (£421m.), or 31 per cent. above 1973/74.

Revised figures issued to-day by the Commerce Ministry give the 1974/75 deficit as Rs.10.44bn. (£563m.), against the provisional figure of Rs.10.95bn. (£590m.). *Exports have therefore continued* to show a spectacular rise, having registered a growth of 22.5 per cent. in 1972-73 and 28 per cent in 1973-74.

The value of imports, however, has also soared, by 57 per cent. *in 1973-74 and by another 49 per* cent. in the latest year, leading to the record deficit of £563m. The size of the deficit was attributable mainly to the jump in world prices of fuel, *fertilisers* and food, according to an official *review.*

The feeling here is that the high growth rate of exports cannot be maintained at the same level as in previous years be*cause of the fall in commodity* prices. The target for the current year is therefore a 10 per cent rise.

Mr. D. P. Chattopadhyaya, *Indian Minister of Commerce*, has said steps will be taken soon "substantially to improve" the competitive capacity of a wide range of export products.

In a television interview here the Minister said the annual *target of a 10 per cent.* export growth in real terms was realistic. "We hope not only to attain the target but to exceed it," he declared. The target for the current year is *Rs.38bn.* (£2.05bn.)

Mr. Chattopadhyaya said that without a substantial rise in industrial and agricultural production "we cannot achieve magic in exports." Measures to *maximise India's exports to* Western Europe were being taken.

Despite recession, the *Minister* commented, India could still *raise exports and facilities under* the general scheme of preferences. The government was following a policy of assistance to exporters on a "selective basis," he explained.

Cash assistance had been withdrawn for about 60 *items*, and help would now be given only to products which needed to become competitive. Some export incentives were necessary because the big domestic market held a greater attraction.

Meanwhile, Commerce Ministry sources said engineering goods exports, which rose to a record Rs.3.55bn. (£192m.) last year, are likely to increase further this year. The rise last year was not only attributable *to higher unit value realisation* but also to a larger volume of exports.

Exhibitions

● An intensive U.K. drive to win New Zealand orders, with *more than 70 British companies* combining to establish the largest national pavilion at New Zealand's World Trade Fair, is being mounted at Wellington this week.

In addition to British cars and commercial vehicles, products offered range from food and fine china through consumer durables such as mirrors and electric lawn mowers to heavy equipment and machinery. *Most* products are capital equipment, including *machine tools, electronics* and building equipment.

Mr. Eric Deakins, British Parliamentary Under Secretary of State for Trade, is to visit the British stand on Monday.

Introducing the British sales *effort, Sir. David Scott, the High* Commissioner, reminded New Zealand that Britain was New Zealand's biggest trading partner. He felt the British effort at the Fair "would strengthen the powerful and long-standing trading link between the two countries."

Steel export target lowered

SAIL INTERNATIONAL, a subsidiary of the Steel Authority of India, has shipped 200,000 tonnes of steel worth Rupees 240m. (£13m.) out of firm contracts for 500,000 tonnes valued at Rupees 800m. (£43m.) with importers abroad.

Total exports of steel from India this year were planned originally at 1m. tonnes but the figure has now been lowered. Mr. M. A. Wadud Khan, chairman of Sail International, has emphasised the need to secure more foreign orders in view of the marked increase in steel production in India and the availability of surpluses in many categories for exports. India has four steel plants in the public sector and two private.

Sail International has formed working groups to draw up an export plan for the next three months, taking into account *stocks available at the main* plants. Negotiations are in progress with various countries to secure further orders in various categories of steel.

Export Contracts

BROWN O'MALLEY INTERNATIONAL, Hull, has secured an order for Muir-Hill tractors *worth £376,500 from Libya* for the Gefera Plain development.

ACROW ENGINEERS (EXPORT) has two orders aggregating £1m., for general construction work in Nigeria and equipment for Poland.

HENRY BOOT ENGINEERING will supply rail engineering equipment worth £1.2m. for a marshalling yard at Karachi Port.

INTEP (U.K.), Hitchin, Herts., is to build modules and helidecks costing £1m. for the Edda and Albuskjell oilfields in the Norwegian sector of the North Sea.

KWIKFORM is to export Kwikstage access and propping *systems* worth £154,000 to the Middle East, and similar equipment valued at £140,000 to Valmet Shipbuilders, Finland.

Contracts Abroad

FUJITSU and **OCEAN CABLE**, both of Japan, will build a £3.19bn. undersea coaxial 150km *cable system* linking Hjorring, Northern Denmark, and Ardendal, Southern Norway, *to be* ready by September, 1977.

VOLVO will supply Algeria with 1,200 heavy trucks and spares worth £16.5m. They are the new N-10 19-ton units, with semi-*trailers.* The order *is seen as* opening the way for a larger operation in Algeria, which is expanding its transport network. Volvo has undertaken to set up a central workshop depot.

FOUR EUROPEAN AIRBUSES have been bought by South African Airways for Frs.400m. (£43.3m.). Delivery will begin in November, 1976. The sale is the second major one outside Europe in recent weeks, Korean Air Lines having ordered *six* aircraft.

IN BRIEF

Sony-Hoover

Sony Trading Corporation, Japan, has concluded a contract with Hoover for exclusive distribution rights in Japan for Hoover vacuum cleaners. The U.S. products will be marketed through Sony International Housewares.

Honda improves Civic

Honda Motor has unveiled an improved version of the Civic, and *plans to boost exports to the U.S.* The new Civic, which has passed Japan's stringent 1976 anti-emission controls, is claimed to be capable of 62 mpg in its 1200 cc version. *The new models* have either an improved 1200 cc or 1500 cc version of Honda's compound vortex controlled combustion engine. Domestic sales in Japan *start* to-day and exports by November.

S.E. Asia lumber

Major South East Asian lumber *producers will* meet their Japanese, South Korean and Taiwan trading partners next week at Kuala Lumpur to discuss the supply-demand position of *lumber* as well as price standardisation.

Franco-German trade

Trade between France and West Germany fell 8.1 per cent. in the first half of 1975. The French *deficit declined 56.4 per cent.* however, to Frs.2.67bn. (£289m.) compared with *Frs.6.13bn.* (£664m.) a year earlier. The improvement followed a 14 per cent. decrease in French imports of German goods, while French *sales to Germany* were only 0.5 per cent. lower.

Japan's export prices

Japan's export price index (1970=100) stood at 136.9 in July, a 6.8 per cent. fall from 1974, *with the import price index* at 204.6, up 3.1 per cent. on a year earlier.

ECGD support

ECGD has guaranteed a £2.5m. National Westminster Bank line *of credit to Industrial Credit*, of the Irish Republic. The loan will help finance *contracts placed* in the U.K. for plant and equipment by Irish buyers. Minimum contract value is £10,000.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscriptions $190.94 (air freight) $381.88 (air mail) per annum. Second class postage paid at New York, N.Y.

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AMERICAN NEWS

Joint Mideast-Western bank plan for New York

BY GUY DE JONQUIERES

NEW YORK, August 20.

PLANS FOR the formation of a new commercial bank in New York have been announced by a consortium of 20 Arab, American and European banking concerns. The bank would be the first to be set up in the U.S. by Middle Eastern and Western banking interests.

The proposed venture, tentatively named UBAF Arab American Bank, is expected to offer a full range of wholesale banking services with a special emphasis on U.S.-Arab trade and investment. The necessary authorisation is being sought from the New York State Banking Board and for membership of the U.S. Federal Reserve System.

The proposed capital of the bank would be $25m. of which 20 per cent. would be provided by four large U.S. banks and the reminder by the Union des Banques Arabes et Francaises, the Paris-based consortium bank, its four European affiliates and a number of Arab banking concerns.

The four U.S. banks, each of which would hold 5 per cent. of the new institution's equity, are First National Bank of Chicago, Banker's Trust, Security Pacific and Texas Commerce bank. Union de Banques Arabes et Francaises, in which Arab interests hold 60 per cent., would own 12 per cent. of the capital, with the 15 other shareholders each owning 7 per cent. or less.

A number of the Arab concerns involved are already share holders in UBAF and include the Arab African Bank of Cairo, the Central Bank of Egypt, the Arab Bank of Jordan, the Commercial Bank of Syria and the Libyan Arab Foreign Bank.

It is understood that the initiative for establishing the new venture was taken by Mr. Mohamed Abushadi, chairman of UBAF in Paris, with First Chicago as the prime mover on the American side. The head of First Chicago's Tokyo office, Mr. Kevin Wolfelein, has been designated as President of the new bank.

As well as subscribing to its capital, both the American and Arab shareholders in the new bank are expected to contribute deposits initially. The bank is also expected to seek deposits on the New York money market and from both official and private institutions in the Middle East.

It was not immediately clear to what extent the bank is likely to divide its business between acting as a conduit for lending U.S. funds in the Middle East and loaning Arab capital to American borrowers. But its sponsors expect that it will undertake project finance in both the Middle East and other parts of the developing world.

The sponsors envisage that the bank will involve itself in making both short-term and long-term loans as well as undertaking the medium-term lending business in which UBAF has been an increasingly active participant.

ITT to sign 'non-political' pledge

NEW YORK, August 19.

INTERNATIONAL Telephone and Telegraph Corporation (ITT) said to-day it would sign a pledge to shareholders promising to confirm each year it had not taken part in partisan political activity.

A spokesman for the communications conglomerate said the pledge, subject to court approval, dismissed all claims for damages in a 1972 lawsuit accusing ITT of making illegal political payments of over $100m. in the U.S. and Chile.

The suit, brought by State Senator Anne Martindell, of New Jersey, an ITT shareholder, asked a New York Federal court to force ITT to account for the alleged expenditure and compensate shareholders, a spokesman for Mrs. Martindell said. The suit also sought a method of reporting political activities to shareholders each year.

An ITT spokesman said the settlement would exonerate both the company and its officers "from numerous unfounded charges made over the past three and a-half years."

Reuter

Third world capital needs rise

BY ADRIAN DICKS

WASHINGTON, August 20.

THE NEEDS *of the developing* countries for capital are greater now than they were in early 1974, when Euro-currency lending reached its peak, and they are likely to persist as economic recovery continues, according to the annual report of the International Finance Corporation.

Reviewing events in the developing countries in recent months, the IFC, which is the "harder" loan affiliate of the World Bank, detects signs of an increase in private lending to them in the second quarter of this year.

But in spite of this welcome *reversal of a period in which the* developing countries have found it hard to raise long-term funds, the IFC suggests that it will not be easy for them to secure all the funds they will need, pointing out that further deterioration in the terms of trade will tend to add to their requirements.

The Corporation's report notes that during *the first half of this* year, when international bond markets began to show a revival of activity, developed country borrowers clearly dominated them. As a result, developing countries have found it hard to get the access they need, and managed to sell only about $140m. of foreign bonds in the first quarter of this year, compared to $800m. in 1974 and $1.2bn. in 1973.

Higher-income developing countries, accustomed to meeting a substantial part of their foreign capital needs from the international market, have been the most seriously affected by *the contraction it has experi*enced during the recent period of declining economic activity. For the developing countries as a group, the IFC reports, the consequence of a shortage in long- and medium-term finance has been greater reliance on short-term bank loans, especially lending by U.S. banks, which *rose from $1.5bn. in 1973 to $5bn.* last year.

The Corporation assesses the deterioration of the terms of trade for the developing countries at about 10 per cent. last year, and says that it is still continuing, thanks to the decline in export prices of primary commodities. But it also lays some of the blame on the 75 per cent. average increase in machinery and industrial equipment prices paid by developing countries between the late 1960's and last year, and on the rise in world oil prices.

Nonetheless, the Corporation *reports that the higher income* developing countries, with an income of over $200 a head, managed to maintain their export earnings and to cover their payments deficits, achieving an average growth of 6-7 per cent. last year—although they are having some difficulty in maintaining that pace.

Argentine 'surprise' over Falklands

By Robert Lindley

BUENOS AIRES, August 20.

"AUTHORISED sources" quoted in London as saying that Britain will not modify its stand on the Falkland Islands crown colony, and that no new discussion on the future of the archipelago is *contemplated between London* and Buenos Aires, have caused a "reaction of surprise" in the Foreign Ministry here.

A Foreign Ministry spokesman said that a clear mandate from the United Nations exists for the two Governments to continue negotiating to arrive at a solution to the "dispute over the *sovereignty* of the Malvinas Islands." This is the name by which the Falklands are known in Argentina, which claims them. The Foreign Ministry spokesman said that both Governments must report on the progress of the negotiations at the next U.N. General Assembly

UPI adds: Federal police surrounded the Villa Devoto prison to-day, hours after guards put down a riot by scores of political prisoners.

Jail guards hurled teargas at the rioters and quickly controlled the melee, police sources said.

San Francisco mayor calls for end to police strike

BY JAY PALMER

NEW YORK, August 20.

SAN FRANCISCO'S Mayor, Joseph Alioto, appealed for calm last night following numerous reports of sporadic violence during the first day of his city's police strike. Urging police to obey a court order to return to work, the Mayor stressed that there had been no massive crime wave and that there would be no need for either citizen vigilante groups or the State National Guard to keep order.

However, talks between the police unions and city officials broke down once again in the early hours of this morning and the strike is expected to continue at least for the next couple of days and possibly until next week. At the same time, San Francisco's firemen will decide this afternoon whether or not to strike later this week and the *city's transit workers, who* operate the famous cable cars, have already said they will walk off their jobs on Friday.

The problem between San Francisco and its municipal employees, as in many other major American cities, centres on money. While a provision in the city charter states that the pay of police, fire and transit workers shall not exceed the maximum salaries of similar employees in other large Californian cities, in practice this maximum has always been the minimum.

For the first time in many years, this practice is now being ignored, with the city refusing to give employees the pay rises of between 11 and 15 per cent. that would be necessary to bring salaries into line with Los Angeles scales. Instead, the city *is offering rises of around 6½ per* cent.

Yesterday, San Francisco's criminals failed to take advantage of the police strike with crime remaining at normal levels for this time of year—two muggings, a $10,000 burglary and one murder (the city's 75th this *year). Such violence as there* was seemed directed at police picket lines with two instances of sniper gunfire recorded and one case of a driver ramming pickets. The Mayor stressed that the 10 per cent. of non-union police remaining on duty would concentrate on violent crime.

Russian farming inefficient says Butz

WASHINGTON, August 20.

THE SOVIET Union is buying American grain again this year because Communist-style farming is inefficient, Agriculture Secretary Earl Butz said to-day.

"There is no greater folly than to try dictating agriculture from the political arena. Centralised decision-making for agriculture does not work. It never has, it never will," Mr. Butz said in a speech prepared for delivery to a farm electrification food and energy symposium.

The fact that agriculture is centrally-planned in Russia is "one of the main reasons why the Soviet Union, with more than twice the land mass of the United States and only about 42m. more people, can't feed itself," Mr. Butz added.

AP-DJ adds from Galveston, *Texas: A U.S. federal judge* will to-day consider a request from the West Gulf Maritime Shippers Association for a permanent injunction against two West Gulf local branches of the International Longshoremen's Association (ILA) to prohibit them from halting future work on grain shipments to the Soviet Union. U.S. district court Judge James Noel yesterday ordered longshoremen in Western Gulf ports to resume loading U.S. grain aboard ships bound for Russia.

VENEZUELAN $3M. EMBEZZLEMENT

By Joseph Mann

CARACAS, August 20.

THE VENEZUELAN National Treasury has suffered losses of more than $3.25m. through embezzlement over the last six years, according to an official of the Attorney General's office. Last year alone, Venezuela's petrodollar-rich Treasury lost some $3.3m. through malfeasance in Government posts.

UNREST IN EL SALVADOR

A climate of repression

BY ALAN RIDING, RECENTLY IN SAN SALVADOR

EL SALVADOR'S armed forces have just formally reiterated their support for President Arturo Armando Molina, but it is no secret here that both senior Army officers and the dominant "14 families" are growing impatient at the 48-year-old Colonel's mishandling of recent political events.

A series of unnecessary killings of peasants and students has aroused opposition to the regime, while promises of agrarian reform from the President have irritated conservative landowners. With Congressional elections due next March and Presidential elections scheduled for February 1977, the domestic Right is frankly dubious whether Colonel Molina can prevent a major upsurge of unrest. Foreign diplomats are therefore speculating that he may soon be replaced.

Colonel Molina took office in 1972 with the disadvantage—in *terms of popularity*—that he had lost the preceding elections. The outgoing President, General Fidel Sanchez Hernandez, not only organised a massive fraud to ensure the defeat of the Christian Democrat candidate, Sr. Napoleon Duarte, but he also put down an uprising by Army officers who were trying to reverse the fraud. Seeking survival rather than popularity, Col. Molina therefore moved quickly against potential threats by "exiling" a number of generals and colonels as ambassadors, and by using the Army to close down the university, occupy the campus and deport dozens of left-wing teachers.

But the time bought by the President with these tough measures is fast running out. For example, even though the law was changed to reduce the university's autonomy, and a malleable rector was appointed, the institution is once again a hot-bed of angry Leftists, some of whom are turning to the small extremist groups that feel the time has come for armed action against the regime and the ruling oligarchy. Sympathy for these groups increased last month when the Army and the National Guard fired on a peaceful student demonstration, killing at least seven people, wounding another 20 and arresting more than 40.

In the countryside, where hundreds of thousands of landless peasants are tied to large estates in an almost feudal relationship, there are also the first signs of restlessness. Some timid peasant organisations, such as the Salvadorean Communal Union which is sponsoring co-operatives, are helping bring minimal political awareness to the rural population, which comprises 62 per cent. of El Salvador's 4.5m. inhabitants. Pressure from the peasants was also enough to oblige the Government two months ago to adopt an "agrarian transformation" law, although it is not enough to ensure that the law will be implemented. The law is phrased in such a way that, in the words of the Christian Democrat party, "it will take between 100 and 200 years to be carried out."

The response of the landowners and their military allies to this rural unrest has been to unleash a new wave of repression. In the village of La Cayetana last November and in Tres Calles this May, for example, the National Guard (the fiercest of the numerous security forces here) killed a total of 13 peasants. In other areas, landless peasants regarded as "agitators" have been threatened and refused employment on the large estates. At one sugar mill I visited, the peasants worked under the watchful eye of uniformed guards armed with shot-guns. Outsiders definitely were not welcome.

The deterioration of conditions in the countryside has forced the Catholic Church into increasingly outspoken criticism of the Government. "It is no secret that there exists here a climate of violence, repression and lack of respect for fundamental human rights," the Salvadorean Conference of Bishops said last month. "Without doubt, the main reason for this violence and insecurity is the injustice suffered by the great majority of the population."

In his latest pastoral letter, the Archbishop of San Salvador, Msgr. Luis Chavez y Gonzalez, pointed out that "the best lands are dedicated to coffee, cotton and sugar-cane for export, while only the worst lands remain to provide Salvadoreans with their daily bread." He said that 92.1 per cent. of pre-school children suffer malnutrition, while only 35 per cent. of men are employed throughout the year. "*People are getting poorer all* the time," he went on. "There is hunger in El Salvador to-day."

> 'People are getting poorer all the time. There is hunger in El Salvador to-day"—Archbishop Luis Chavez y Gonzalez.

Life for the urban population is also becoming more difficult. Migration from the countryside is forcing up unemployment, while inflation of 24 per cent. over the past year has eaten into real wages. The Government is trying to stimulate job-creation by encouraging foreign investment—for example, 30,000 jobs are planned for a new industrial free zone—but the growing numbers of people to be seen sleeping in downtown San Salvador at night reflects the dimension of the problem. Dislike of the Government in the capital is in fact so blatant that even the Army dared not deny victory to the Christian Democrat candidate for Mayar in the 1972 and 1974 elections.

Yet despite the mood of political unrest, there is little organised opposition. The urban guerillas, divided into at least five squabbling groups, have carried out sporadic bombings and kidnappings, but they have no popular base outside the student movement. The *peasants (despite talk of a* possible repetition of the 1932 uprising in which 20,000 peasants were killed) are too vulnerable to repression and starvation to offer more than a latent threat to stability. The Moscow-line Communist Party, working through its front, the *Nationalist Democratic Union* (UDN), has felt obliged to maintain its coalition with the Christian Democrats in order to remain significant while the Christian Democrats themselves seem lacking in direction without their leader, Sr. Duarte, who is in exile in Caracas.

The future of the country is very much in the hands of the armed forces who have perpetuated themselves in power through elections since 1962. The original objective of the armed forces was to create a centrist party—the National Conciliation Party (PCN)—and reduce their identification with the ruling *elite. But in practice the military* regimes have been easily manipulated by the "14 *families*" and their associates, who in recent years have diversified their interests from farming to include light industry and finance.

The nine full colonels who supposedly take the key decisions with Colonel Molina have shown little appetite for social reform, and are themselves deeply involved in business deals with the "14 families." Even the younger lieutenant-colonels and majors show none of the progressive tendencies of their counterparts in neighbouring Honduras.

For the Army as well as the oligarchy, talk of reform is still "Communism." So any change that takes place in the coming months will probably involve a swing to stronger and even more conservative government.

EUROPEAN NEWS

Vigorous Italian recovery next year, say employers

BY RUPERT CORNWELL ROME, August 20.

ITALY'S recession is likely to drag on until the start of next year at least, but when recovery comes it ought to be fairly vigorous, according to the influential employers federation Confindustria.

The gist of Confindustria's latest report, on the economic outlook for this year and next, is that 1976 should see an improvement in output that will wipe out the decline experienced in 1975. Investments are expected to climb sharply while unemployment, especially in the construction industry, will probably decline.

Needless to say, this optimism is anything but unconditional. In the first place it assumes that the global economy will at long last perk up, and that the first signs of recovery in Italy do not bring the country straight up against the dormant but far from extinct problems of inflation and a possible balance of payments crisis.

Secondly, much depends on the efficiency with which the Lire 3,500bn. reflation programme announced a fortnight ago is translated into fact. Yesterday the Confindustria president and Fiat chairman Giovanni Agnelli again pleaded that the measures decreed be activiated as quickly as possible by Italy's notoriously inert public administration.

According to Confindustria, industrial output should grow next year by 6.6 per cent. compared with a forecast decline of 6.4 per cent. in 1975. The most striking improvement will come in the capital goods sector and manufacturing industry in general, and in the construction industry where a drop of almost 10 per cent. this year should become a gain of 2.5 per cent. next.

Equally encouraging are investment prospects, where a drop of 2.2 per cent. in 1975 should give way to an increase of 8.7 per cent. in 1976, making a grand total in cash terms of Lire10.9bn. for the two years.

A transformation is above all likely in the hard-pressed construction sector, in which capital spending is expected to drop by more than 11 per cent. in 1975. Next year, thanks in large measure to the latest Government package, the report suggests an advance of 4.9 per cent.

The survey's most sombre aspect concerns unemployment, and it predicts that even the vigorous forecast recovery will not completely eradicate the increase in jobless suffered during the recession year of 1975. Despite new manpower required by the building and public utility sectors the overall industrial workforce is forecast to rise only 1.2 per cent. against a contraction of some 1.8 per cent. this year.

Bonn extending reflation plan

BY JONATHAN CARR BONN, August 20.

THE WEST German Government is preparing marginally more extensive measures to help boost the economy than first planned—and to keep a particularly tight rein on public expenditure next year.

These points emerge from a statement release to-night following a meeting between Chancellor Helmut Schmidt and leading ministers at Herr Schmidt's holiday residence in North Germany. All those taking part in the meeting were unusually reticent before reporters both during a break in the day-long discussions and afterwards, so that futher details of the talks have not so far emerged.

It is known that the Free Democrats present plan to put forward proposals for improving the investment propensity of the private sector in the middle-term, which would prove highly controversial with their Social Democrat colleagues.

According to the statement, Finance Minister Hans Apel and Economics Minister Hans Friderichs will propose to the Cabinet next Wednesday a programme for additional public investment expenditure of some DM5.5bn. The investment will be aimed primarily at helping the hard-hit construction industry. Up to now a total of DM5bn. had been under discussion.

The statement also drew attention to Cabinet discussions early next month on the supplementary Budget for this year and the Budget for 1976. It spoke in this connection of "consolidation"—which in the current situation of massive budgetary deficit can only mean still tougher savings measures are to be expected soon.

Meanwhile, the West German authorities are taking a series of measures to try to keep interest rates down at home while helping to counteract outflows to higher rates abroad.

In one move, the Central Capital Market committee decided to-day to extend at least until October the ban on the placing of foreign issues in West Germany which it imposed temporarily last month. The object is to protect the German market from the demands of foreign borrowers and thereby reduce some of the upward pressure on interest rates.

At the same time, the Government is about to approve a measure which will allow non-residents to open interest-bearing accounts in West Germany without asking official permission to do so. The Cabinet is expected to approve the step next Wednesday and it will enter into force shortly afterwards.

This action—removing restrictions imposed more than four years ago to discourage the inflow of speculative funds—was agreed last Thursday between Herr Apel and the Bundesbank central council. It has also been learned that the Bundesbank plans to be more liberal in approving purchases by foreigners of domestic fixed interest securities with a remaining duration of more than two years.

The upshot should be some inflow of funds and relief for the capital market at a time when the public sector—federal government, provincial states and local authorities—are facing a combined deficit for 1975 of at least DM.70bn. Given the exceptionally high level of savings and the low level of demand for credit by private industry, the market long met the public sector borrowing requirement remarkably smoothly. But in the summer months there have been clear signs of strain.

● West Germany's trade deficit with Arab countries fell to DM1.4bn. in first six months this year from 1974's first half deficit of DM5.9bn. Economics Ministry figures show.
Reuter

Swedes want 'democratic' control of multinationals

BY WILLIAM DULLFORCE STOCKHOLM, August 20.

A WORKING group set up by the Swedish Trade Union Confederation has called for greater "democratic" control of multinational companies, both foreign enterprises operating in Sweden and Swedish concerns with foreign subsidiaries.

The group specifically asks for more stringent taxation of multinationals in Sweden and for legislation giving the State a prior right to buy a company about to be taken over by a foreign concern or the possibility of delegating its right to a Swedish company.

Stricter criteria, taking into consideration not only currency but also domestic industrial and employment policies, should be applied to Swedish applications to invest abroad and the relevant unions should be consulted before permission is given. Any application should be accompanied by an alternative proposal for domestic investment.

Swedish companies' foreign subsidiaries should file annual reports in line with Swedish practice and the Riksbank (central bank) is asked to study the possibility of obtaining weekly reports on Swedish companies' international payments and transfers.

The union report claims that Swedish investments abroad have increased five-fold during the last 10 to 15 years, reaching Kr.2.4bn (£266m.) last year, while foreign investment in Sweden had been tapering off to about Kr.600m. (£66m.) annually. Swedish foreign investment had created 35,000 new jobs abroad since 1965 while employment in domestic industry dropped by 25,000.

The report approves of Swedish industrial expansion abroad but warns that it must not lead to a "technological disembowelling" of the home industry or weaken the production basis for an expansion of social services.

FRENCH DEBATE ON PORTUGAL

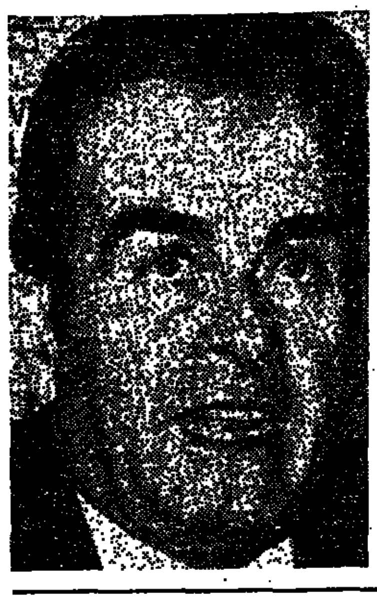
The disunion of the Left

BY ROBERT MAUTHNER, PARIS CORRESPONDENT

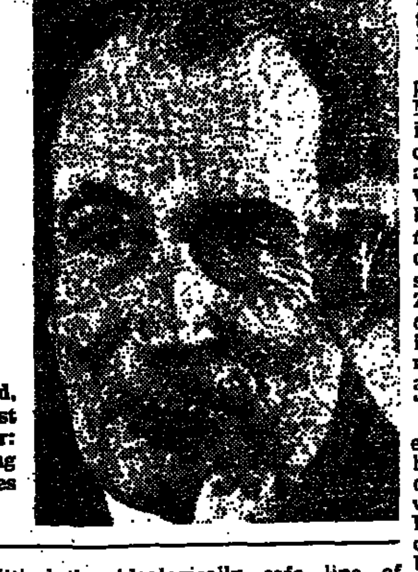
THE CURRENT dispute over Portugal within the French Union of the Left—the stormy partnership between the Socialists and Communists—is one of the most fundamental and virulent since the alliance came into being in 1972. It is almost equal in intensity to the quarrels between Socialists and pro-Moscow Communists after the invasion of Czechoslovakia in 1968, but, at that time the Union of the Left did not exist. Whereas the Communists and Socialists have been engaged in a running battle ever since October last year, they have been arguing mainly over what now looks like comparatively minor problems such as the support they should give each other in by-elections and the organisation of joint national campaigns. The events in Portugal, however, have given their disagreements an entirely new dimension.

Past masters at papering over their basic ideological differences in carefully-worded common programmes and smooth double-talk, the Socialists and Communists have suddenly been forced to make plain their reaction to a situation which concerns Frenchmen and women more directly than most other people. For not only is Portugal almost a neighbour, it is the only European country where a Socialist-Communist Government has been tried out in practice. People can argue themselves blue in the face that the situation in France is completely dissimilar, but the ordinary French voter is almost bound to make a comparison and Portugal will certainly be used as anti-Communist ammunition by the ruling coalition parties in future election campaigns.

The realisation, that the events in Portugal could be seen by many people as the mirror image of what would happen in France if the Union of the Left ever came to power, has concentrated the minds of the Socialist and Communist leaders wonderfully on the fundamental problems they should always have been talking about. The sanctity of the democratic vote and the freedom of the Press, principles to which even French Communists have always paid lip-service, have suddenly been shown up as real issues on which the French Communist Party takes a very different line in practice. It has neither protested at the virtual suppression of the Portuguese Socialist newspaper Republica nor at the way the choice of the



M. Marchais, the Communist leader: unwilling to compromise



M. Mitterrand, the Socialist leader: abandoning his kid gloves

people in the Portuguese election has been completely ignored.

The manner in which the French, as distinct from the Italian Communist Party has behaved over Portugal has clearly incensed the French Socialist leader, M. Francois Mitterrand, who has entirely abandoned his customary kid-glove tactics in his dealings with his Communist partners. M. Mitterrand cleverly turned the tables on the Communists at a recent high-level meeting between the two parties called to discuss the situation in Portugal—an occasion which M. Georges Marchais, the French Communist leader, hoped would result in a resounding joint condemnation of "Fascist" anti-Communist violence in the North of Portugal.

Condemn the anti-Communist attacks he certainly did, but not before emphasising in a letter to the meeting that what is happening in Portugal now is largely the fault of the Portuguese Communists themselves, for refusing to accept a common programme with the Socialists and, what is even worse, for scorning the whole democratic process. And in a telling reply to Communist protestations that France is not Portugal and that the Communist Party supports a Western-type democratic political system in France, M. Mitterrand wrote in the Socialist weekly L'Unité: "You cannot have one truth in Paris and another in Lisbon. You cannot be in favour of political pluralism at home and contest it in Portugal."

M. Marchais, it should be said, has been placed in a difficult position by his mentors in Moscow. The French Communist Party, unlike its Italian sister organisation, has always remained faithful to the orthodox Moscow line in spite of its frequent claims that it is entirely independent. One cannot see M. Marchais adopt the cavalier and critical tone towards the Kremlin that Signor Enrico Berlinguer frequently does and which the Italian Communist Party, to its eternal credit, did at the time of the Soviet invasion of Czechoslovakia. Not least, because M. Marchais has to deal with a powerful Moscow-oriented group in the Central Committee which, from last autumn onwards, obliged him to adopt a much harder line towards his Socialist partners than previously and which, at one stage, may even have thought seriously of toppling him from the leadership.

M. Marchais has thus adopted the ideologically safe line of firmly supporting the Portuguese Communist leader Alvaro Cunhal on every controversial issue. Indeed, the French Communists, once so keen on their alliance with the Socialists, are becoming increasingly unwilling to make compromises for the sake of maintaining good relations with their partners. There is, it is true, no immediate election in sight requiring a united stand on every issue, but the disagreements have now become so frequent and deep that the basic question must be asked whether the French Communist Party still considers the Union of the Left to be indispensable in the longer run.

Doubts about the French Party's attitude were strengthened by the recent widely quoted article in Pravda, the Soviet Communist Party mouthpiece, which condemned "contemporary conciliators" and those who wanted to achieve unity at all costs by "dissolving (the Party) in an ideologically amorphous organisation." A reference to Portugal, no doubt, but also to France and Italy. The Italian party has learned to take such "directives" from Moscow in its stride and treat them with its customary confidence in its own particular strategy of achieving power. But M. Marchais was manifestly embarrassed though he was more independently outspoken about the Pravda article's relevance to France than he usually is.

The French Communist Party's policy is decided in Paris, not in Moscow, M. Marchais said, adding for good measure that Lenin could not have foreseen in 1905 all the specific problems for which political solutions had to be found in France to-day. Significantly, however, he declined to comment on the statement in the same article, signed by M. Zarodov, that "the dictatorship of the proletariat" should be an initial and not just a final Communist objective, rather than attempting to gain power through "bourgeois" elections.

If M. Marchais had publicly endorsed this statement, he would have seriously undermined one of the fundamental principles on which the French Union of the Left is based—namely that changes of Government should be made possible through free elections—and the outcry on the part of the Socialists would have been so great that the alliance might have collapsed there and then. The fact that he restrained himself seems to indicate that his personal preferences and, probably those of a large section of his Party, are still for a continuation of the alliance. What will happen, however, if what appears to be a new Moscow hard line is confirmed and if greater pressure is put by the Soviet Communist Party on its Western equivalents, is anybody's guess for the moment. On the face of it, the French Party will either have to toe the line and ultimately sacrifice its alliance with the Socialists or, taking its cue from the Italian Party, become increasingly independent from Moscow. Communist Party wheels generally grind slowly, but the situation in Portugal is likely to act as an effective catalyst which should hasten the moment of decision.

Defence pleas begin in Greek junta trial

ATHENS, August 20.

LAWYERS for 20 leaders of the fallen Greek military junta charged with high treason and insurrection began their pleas before an Athens high civil court to-day.

Pleading for retired Lieutenant-General Grigorios Spandidakis, defence counsel Aristotelis Paleologopoulos said that his client was arrested by the plotters on the night of the coup on April 21, 1967.

He was a prisoner in the hands of the plotters and was involved against his will. "He is innocent," Mr. Paleologopoulos said. "He acted out of bravery because he wanted to gain control of the situation and avoid bloodshed."

After his arrest General Spandidakis, 66, who at the time of the coup was the chief of the army General Staff, ordered the implementation of the "Prometheus" plan which dealt with internal upheaval. Implementation of this plan enabled the plotters to seize power and consolidate their grip on the country.

General Spandidakis, who pleaded not guilty to the charges, became Deputy Premier and Defence Minister in the army-backed Government formed immediately after the coup. He refused to take sides in the royal coup in December, 1967, and was retired by the junta.

Mr. Paleologopoulos said that General Spandidakis had no connection with the plotters or the preparation of the coup. "He knew nothing about the aims of the plotters and when he realised that they wanted to perpetuate their presence in power, he made several efforts to react."

Defence lawyers for retired General George Zlotakis pleaded not guilty on behalf of their client. One of them, Mr. Dionyssios Livieratos, told the court that the General was not aware of the preparations let alone of the execution of the coup.

General Zoitakis, then commander of the powerful Third Army Corps based in Salonica, was in Athens on the day of the coup to attend the meetings of the supreme defence council.

"The General accepted the post of Under-Secretary of Defence immediately after the success of the coup and later the post of the regent, in an effort to help return the country back to parliamentary rule. He thought that he could use his authority and prestige to achieve this aim," Mr. Livieratos said.

Counsel for the other defendants, including former President George Papadopoulos, are expected to plead tomorrow.

The Public Prosecutor yesterday demanded guilty verdicts for all but two of the accused, high treason and insurrection charges carry a possible death penalty.

● Mr. Alexandros Panagoulis, would-be assassin of former President Papadopoulos, told a court martial here today that iron wires were thrust into his genitals during interrogation.

Mr. Panagoulis, 37, now a member of Parliament for the main opposition Centre Union-New Forces Party, was sentenced to death for his part in the plot to kill Mr. Papadopoulos in August 1968 but was reprieved following international pressure.

Italian party criticises Soviets

ROME, Augst 20.

THE ITALIAN Communist Party published an outspoken criticism to-day of the attitude of the Soviet Union towards the political situation in Portugal, blaming it for ascribing all the faults to the Portuguese Socialists and none to the Communists.

In a comment on an article published yesterday in the Soviet party organ Pravda, the Italian party newspaper L'Unita said the Italian party rejected any interpretation of events in Portugal that blamed all the troubles on the Socialists.

"We do not believe that it is either fair or that it corresponds to the truth to define the policies of the Portuguese Socialist Party as 'provocative' or to consider that party's leaders as the only people responsible for the current situation," it said.

L'Unita said that although it agreed with Pravda's views on the dangers of western interference in Portugal's internal affairs, "we cannot accept the judgment given in the same article on the Portuguese Socialist Party."

"Although Socialist leaders had undoubtedly made mistakes, it would be "wrong, and above all unproductive, to ignore the mistakes made by the other Leftist forces, the Portuguese Communist Party, the strife and divisions within the Armed Forces Movement and so on," it added.
Reuter

Communist leader invited to U.S.

BY RUPERT CORNWELL ROME, August 20.

SIG. SERGIO Segre, the top foreign affairs expert of the Italian Communist Party, has been invited to a high-powered foreign policy seminar in the U.S. this October, sponsored by the Rockefellers and attended by leading figures of the U.S. Establishment.

Although no one at Italian party headquarters was available to comment, the eagerness of the party to allay U.S. fears over their intention after the sweeping gains in the June regional elections makes it well nigh certain that Sig. Segre will accept, along with prominent members of other Italian parties.

U.S. diplomats, sensitive as ever to any suggestion of interference in internal Italian politics, are playing down the affair. They stress that the seminar, under the aegis of the Rockefeller-financed Council on Foreign Relations, is not official and that Sig Segre's presence would not imply any change in U.S. official attitudes. Nonetheless the U.S. authorities are not expected, as they have done in similar circumstances, to refuse an entry visa.

Indeed, since the June elections—and the prospect they opened up of allowing Communists into the orbit of Government in the fairly near future—signs have been emerging of a more sophisticated U.S. approach to the West's most powerul Communist party. Moreover, a successul visit by Sig. Segre could pave the way to the much-rumoured and requently denied visit o' the party secretary himsel, Sig. Enrico Berlinguer.

Pravda hails 'inviolable' frontiers

MOSCOW, August 20.

THE SOVIET Union to-day hailed all 10 principles of the Helsinki European security document as equally valid, but said that if one issue was more important than the rest it was the conference's agreement that frontiers are inviolable.

A long commentary in the Communist party daily, Pravda, on the results of the 35-nation meeting three weeks ago listed the areas covered; from "confidence-building measures" to co-operation in humanitarian fields, adding that no one could deny the unity of all principles taken together.

"It is impossible not to see that among the 10 principles there is one which strikes particularly deep to the heart of the question of preventing a new war in Europe," Pravda said. "This is the principle of the inviolability of frontiers."

The agreement to respect post-Second World War borders in Europe has been one of the most hotly disputed in western commentary on the Helsinki Summit. Critics have seen it as endorsing Soviet hegemony over eastern countries occupied after the war.

But Pravda denied that the frontier accord was of more value to the Soviet Union than the West. "There is no question that for the states of the socialist system the strict observance of this principle by everyone is of huge importance." But does this not apply equally well to other states in Europe?"

Irish exports increase

BY GILES MERRITT DUBLIN, August 20.

PROVISIONAL figures released here have shown a surprising turnaround in Ireland's foreign trade position. A sharp upturn in exports during July, coupled with a falling import bill, reduced the country's trade deficit for the month to £12.8m. as against the £26.3m. deficit recorded in June and the even greater shortfall of £47m. in July last year.

In all, for the first seven months of this year, Ireland has pulled its trade gap down to £213m. from the £347.9m. reached during the same 1974 period.

But while the apparent boom in Irish exports, which for July this year were worth £33.4m. more than in June and 29 per cent. more than in July 1974, the 30 per cent. drop in last month's imports from July levels of the year before is provoking mixed reactions.

The Confederation of Irish Industry has said that it is to analyse the latest set of trade figures to determine whether the improvement is of "real significance." The worry is that the recession in the economy is beginning to bite hard and industrial demand for imported raw materials may have slackened seriously.

Arias stays with Franco

MADRID, August 20.

PRINCE JUAN CARLOS left General Franco's retreat in La Coruna to-day to return to his own summer home in Majorca after two days of private talks that stirred newspaper speculation of changes in Government. Juan Carlos, the designated successor to the 82-year-old Chief of State, may return to La Coruna shortly, Spanish Press reports said.

Premier Arias Navarro joined General Franco and the Prince on Tuesday. He will be General Franco's guest until Friday, when the Chief of State is to preside over a Cabinet meeting.

The Prince's surprise visit sparked newspaper reports that General Franco was preparing to retire, and that Señor Arias might be replaced. However, there has been no official indication that the reports are correct.
UPI

BP petrol probe in Denmark

By Hilary Barnes

COPENHAGEN, August 20.

THE CONSUMER ombudsman has asked police to institute proceedings against British Petroleum in Denmark for selling 97 octane petrol as 99 octane. Police earlier refused to bring charges after they had conducted an investigation of the incident.

The consumer ombudsman wants charges brought under a recent marketing law, which states that companies must not use misleading or incorrect information when selling their products.

The BP incident took place in May and June. According to a spokesman for the company, it received a shipment of petrol from England which was wrongly labelled as being 99 octane. After complaints from motorists the company had the petrol analysed and stopped distribution to petrol stations as soon as the mistake was verified.

But the company did not stop petrol stations from continuing to sell petrol they had already received and it did not tell petrol stations to reduce the price or inform the public of the mistake, which was first revealed in newspaper reports.

A company spokesman said at the time that it would have been very difficult to trace which petrol stations had received the wrong petrol.

● DENMARK'S Common Market Minister, Mr. Ivar Noergaard, hopes to achieve some progress in improving relations between the EEC and Comecon during a visit to the Soviet Union which starts to-morrow. Mr. Noergaard said here that he would be making a private visit to Comecon's Secretary-General, who initiated contacts between the Common Market and Comecon on a visit to Copenhagen two years ago. Little progress has been made between the two trading blocs since.

Mr. Noergaard is also hoping to persuade the Soviet to import more Danish goods in order to establish a better balance in Danish-Soviet trade.

OVERSEAS NEWS

Angolan fighting hits Zambia's copper exports

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

ZAMBIA HAS decided to find alternative routes for its copper exports following the spread of fighting to Lobito, the main Angolan port which has recently been taking some 45 per cent. of Zambia's copper exports. The Zambian decision, to seek alternative routes, which may involve the copper companies invoking force majeure on copper supplies, was the subject of urgent discussions in Lusaka yesterday.

Since Zambia's decision to close the border with Rhodesia in January, 1973, Lobito has assumed increasing importance as the major port of shipment for both imports and exports. Without doubt the current situation poses as serious an economic problem for Zambia as has been faced since the early days of Rhodesian UDI.

Top officials from government; the mining companies and the export and transport organisations were meeting in Lusaka yesterday to try to work out new routes. Mining industry sources said that the possibility of a declaration of force majeure on certain contracts could not be ruled out, although a statement was not expected last night.

The decision comes after weeks if not months of deterioration at Lobito port, in particular, but also on the Benguela railway, which runs through Angola and Zaire to connect with the Zambian system north of Lusaka.

The decision is understandable if only because stockpiles of copper at Lobito and at various points along the Benguela railway amount to over 26,000 tonnes (a month's normal shipment at recent rates) and a strike of dock workers has added confusion to reported fighting in the town between two rival Angolan movements, the MPLA and Unita.

But Zambia is going to be extremely hard pressed to find alternative routes. In the last few months, Benguela was estimated to be carrying some 30,000 tonnes of copper a month from Zambia and about 10,000 tonnes a month from Zaire. Zambia's other main export route for copper is through Dar es Salaam, which, until completion of the Tanzam railway, now expected early next year, has to be trucked north, but partly because of weaknesses in trucking capacity and partly because of congestion at Dar port there seems little room either for increased imports or exports. The third main route, though of much smaller capacity and as great difficulty, is through Malawi to either Nacala or Beira in Mozambique and no doubt this is one area which officials will now be looking at most closely.

The Zambian economy is already undergoing serious strain as a result of the decline in copper prices over the past year, and the unavailability of Lobito can only exacerbate the situation. While it is unlikely that Zambia will change its essentially hostile stance towards the white minority regime in Rhodesia, the difficulties it now faces are bound to strengthen the hand of those who believe a settlement between the white Rhodesians and the black nationalists must be rapidly achieved. The Rhodesian railway through to Beira in Mozambique is the most obvious route for Zambian trade, and were a settlement to be achieved, or at least to be seen to be achievable as a result of this week-end's talks over the Zambesi river, then that line might be opened once again.

Libyan exile fled coup attempt

BY TANIA MATTHEWS

TUNIS, August 20.

A LEADING member of the Libyan Revolutionary Council, now in Tunisia, is believed to have fled here in connection with the reported attempted coup against President Muammar Khedaffi. Commandant Omar el Mohaichi, who was formerly in charge of the industry section in the Libyan Ministry of the Economy, is officially said to have five of his Ministry staff with him.

According to diplomatic sources here a section of the Libyan Revolutionary Council strongly disapproved of Col. Khedaffi's erratic policies and was at odds with him on several important issues, including Libya's radio and Press war against President Sadat of Egypt and Col. Khedaffi's allotment of $80m. for subversion in Arab countries. The attempted coup is thought to have taken place on August 13.

A month ago Tunisian authorities discovered an arms depot in Douz, a desert town in the extreme south, and 20 Libyans were reportedly arrested by the Libyan authorities. But there was no official Tunisian confirmation of the reports of the arrests, which originated in Cairo.

Two travellers from Tripoli, the Libyan capital, who came to Tunis this week, spoke of an unusually large number of troops in the streets of Tripoli and youth demonstrations. They said the radio station and other government buildings in Tripoli were under heavy guard. One of them was prevented from leaving Tripoli Airport for 24 hours on August 13.

The Libyans have asked the Tunisians to extradite Commandant El Mohaichi and he is thought to have been removed from Tunis. One Tunisian official said: "We usually keep them moving to avoid embarrassment." Since last Thursday, when the news of the closing of the Egyptian-Libyan frontier reached Tunis, foreign correspondents based on Tunis have been trying to get some official reaction from the Tunisian authorities but so far the Tunisian government has been silent on the question.

The mystery of the abortive coup in Libya may become clearer on September 1 which is the anniversary of Khedaffi's bloodless coup of 1969. It may then be possible to count the members of the Libyan Revolutionary Council on the rostrum at the ceremony.

Bangladesh martial law may be retained

By Our Foreign Staff

RADIO BANGLADESH, monitored in London, reported yesterday that the state of martial law declared after Sheikh Mujibur Rahman was ousted in a coup last Friday may be retained for some or all of the country.

The new President, Mr. Khondakar Mushtaque Ahmed, said according to the radio that "the constitution of the people's republic of Bangladesh shall continue to remain in force" — but subject to the proclamation and martial law regulations and orders issued under it. The President added that such regulations and orders "may provide for setting up special courts or tribunals" to cope with offences under them or under any other law. These orders may also bar the jurisdiction of any existing court or tribunal.

Daud Khan Majlis reports from Dacca: The new government of President Mushtaque is largely composed of well-known figures. All ten Ministers appointed by President Mushtaque were members of Sheikh Mujib's cabinet, who have been asked to remain in the ministries they were heading previously. There are only two new faces — Shah Moazzman Hussain, the former chief whip of the ruling party and Islam Manzoor.

The round the clock curfew which was imposed throughout the country immediately after the takeover has now been lifted from all but four cities — Dacca, Narayaganj, Chitjagong and Khulna. In these cities, the curfew is in force from 10 p.m. to 5 a.m. Essential services were not disrupted at all.

Sri Lanka plans to nationalise estates

By Our Own Correspondent

COLOMBO, August 20.

THE SRI Lanka Government has gazetted legislation to nationalise foreign and local company estates.

This means that the legislation which has led to a crisis within the ruling coalition Government will soon be presented to Parliament. About a third of the estates are British.

Compensation for nationalised land will be paid on the basis of estimates by the Government's chief valuer, who will take into account condition of land on date of vesting, dividends and profits declared by owner in each of three calendar years preceding the date of vesting and prices at which lands in the neighbourhood were sold in the last three years. The compensation will be determined by the Minister of Agriculture and Lands in consultation with the Finance Minister and Minister of Economic Affairs.

Although the legislation does not specify whether British owners will be paid compensation in convertible currency, political observers believe that they will be paid in sterling.

Thai PM's home is ransacked

BANGKOK, August 20.

STUDENTS armed with home-made bombs threatened fresh trouble in Bangkok to-day after the home of Thai Premier Kukrit Pramoj was ransacked early this morning by up to 100 demonstrators.

Several people were wounded by gunfire when the demonstrators—many of them policemen complaining at the takeover of "mob rule" in Thailand—brushed past guards and attacked the Premier's Suburban villa. Mr. Kukrit was not at home.

After daybreak about 1,000 students from Bangkok technical college massed near the grounds of Government House, which were patrolled by military police and commando units.

Reuter.

Smith sees Falls meeting as only signing ceremony

SALISBURY, August 20.

THE Rhodesian delegation at the Victoria Falls constitutional conference next Monday will not be prepared to revise or even discuss details of the "Pretoria Agreement" which set out the form of the talks, official sources said to-day.

Prime Minister Ian Smith is expected to take only a small delegation to the Falls—compared with the 12-man team the African National Council (ANC) is expected to field. He will probably fly to the Victoria Falls on Monday.

The formal session at Victoria Falls is regarded as no more than a "signing ceremony" at which both sides will agree to uegotiate, the sources said.

The Pretoria Agreement decreed that the committee stage would be held in Rhodesia and the demand by the African Nationalists of the ANC for a full conference at the Falls was therefore not arguable, the sources said.

The Pretoria Agreement, reached after talks between the Rhodesian and South African Prime Miinsters and a Zambian representative, was formally documented and had been agreed to by the four African Presidents engaged in Rhodesia peace attempts as well as the ANC, the sources said.

In Washington: President Ford will begin lobbying personally within the next few days for the reimposition of a U.S. embargo on chrome imports from Rhodesia, a delegation of Black Congressmen said to-day. Reuter

THE UGANDAN ECONOMY

After the OAU party

BY JOHN WORRALL, RECENTLY IN KAMPALA

KAMPALA and a few of its favoured citizens had a brief moment of glory last month, when thanks to the Organisation of African Unity summit and a generous $30m. in aid from Saudi Arabia, the Ugandan capital looked something like its old self. The summit brought thousands of foreigners to the city, giving the illusion of bustle and business. But once the heads of state, the delegates, observers and Press had departed, the hotels were left empty, streets almost bare of traffic, the temporarily employed without jobs again and the shops dismally empty.

Just over two years ago Idi Amin, after one of his famous dreams, declared his "economic war" to transfer the whole Ugandan economy from Asian hands to those of Africans. Some 40,000 British Asians were deported at 90 days' notice. There was an almost total breakdown in the modern economy since most business and industry had revolved traditionally round the close-knit Asian community: shops were left, wholesale businesses abandoned, the import trade tumbled dramatically, factories stopped working.

Africans were encouraged to take over abandoned businesses. They were given Government loans, and they took over Asian stocks. But they were inexperienced and untried. A few did quite well and survived, but many fell, drowning in accounts, invoices, documentation, about which they knew nothing. High-ranking army and air force officers moved into business, hoping for a quick fortune, putting in Africans as managers. Soon the army was paying more attention to business than to their military duties.

Only last week the Commander of the Uganda Air Force, Brigadier Smart Guweddeko, was dismissed by Amin because he had "too many businesses." But—and this is an indication of the climate in which business is run—the Brigadier was assured by Amin (and the news item was broadcast on Uganda radio) that he should contact him personally if he wanted assistance "like foreign exchange" for his business.

Some Africans, on to a good thing, began to indulge in the very malpractices of which the Asians were accused—black marketeering, hoarding to raise prices, profiteering. This year Amin decreed death by firing squad for those businessmen who "cheat, hoard and smuggle goods out of the country."

> "The people who suffer most from the shortages and the poverty are those in the towns. Most Ugandans, about 80 per cent., live in the rural areas and can subsist."

Business allocation committees were formed to hand over the Asian spoils. First headed by Ministers, then the army officers took over. The Libyan-Arab bank moved in, taking over the Bank of India building. It lent money to the new businessmen, as did the Ugandan Development Bank. But then factories broke down for lack of skills, shortage of spare parts and raw materials—among them a sugar and a cement factory. When spares did arrive they had to wait the arrival of Arab technicians from Libya.

The ordinary Ugandans you meet around Kampala retain their well-known charm, courtesy and even humour. But Ugandans do not care to talk about their woes. There are always informers around and a word of criticism of the regime can bring the police promptly to the door. Loose talk can bring disappearance without trace. It is happening all the time.

One man, housebuilder turned taxi driver, told me: "We need help badly—but where is it to come from?". He told me his wife had just paid 35 Ugandan shillings (about £2) for a cake of washing soap on the black market. The factory is always breaking down, and the radio informs listeners when soap is available. Toilet soap costs 10 Ugandan shillings a tablet, sugar and salt costs 15 Ugandan shillings a kilo, if you can get it.

"I was pretty busy during the OAU," said my driver. "But what hapens to me now? There are no tourists and none will come." He told me his main trade was taking people to work because of the bus scarcity (mostly through breakdowns). He picks them up at the bus stops and they share the fare to town.

His big grudge now is that the Government is to start its own car hire and taxi business, using the transport bought for the OAU delegates. "It will put the taxis out of business," he said. He added with something like glee "But the Mercedes and the Toyotas came without spares, so one day they will be breaking down like Kampala's other transport."

Kampala is still talking about Amin's vast al fresco banquet for 3,000 people during the OAU. It was a gargantuan feast of meat, chicken and fish served from huge cauldrons on the lawns outside the Conference Centre. Thousands of poor uninvited Ugandans looked on while guests' plates were heaped with steaming meat and vegetables. Bottles of whisky, gin, brandy, campari, not to mention "Economic War" beer, were pushed down the tables for guests to help themselves. They did so liberally. One diplomat at the feast commented: "Idi is fiddling while Uganda burns."

The title of the underground pamphlets circulating in Kampala read "Bread before Summit." The pamphlets were followed by bombs set off in various parts of Kampala by a body calling itself the "Uganda Liberation Movement." Nobody yet knows whether this movement is a real challenge to the Amin regime, but few doubt that its source is Makerere University just outside the city.

The people who suffer most from the shortages and the poverty are those in the towns. Most Ugandans, about 80 per cent., live in the rural areas and can subsist.

This year and last the coffee and tea crops have been good and were exported. In fact, Uganda was the only one of the three East African Community countries which had a trade surplus in the first four months of this year, according to East African Customs and Excise figures, with imports worth some £U17m. and exports worth some £U37m.

But Ugandan exiles ask: what about the cost of the hidden imports, the vast quantity of military hardware, including tanks and MiG fighters, imported from Russia? The Soviet Union does not go in for soft deals, and it is certain it is getting every penny it can extract out of Idi Amin for building up his large army and air force, which is beginning to worry his neighbours in Kenya and Tanzania.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

All-aluminium rail coaches

A MAJOR contract worth Frs.1.2bn. (more than £120m.) to re-equip the French metro has been won by Alusuisse, the Swiss aluminium producer.

The contract will involve the construction of 1,000 all-aluminium coaches to replace obsolete equipment in the 4,000 strong fleet operated by the Regie Autonome des Transports Parisiens (RAPT), and marks, according to Alusuisse, the first time that aluminium has managed to underprice steel in railway carriage construction.

The coaches will be built by Alusuisse's partner in the project, the French coach builder, Societe Franco-Belge. The first will be delivered in two years' time with the last going into service in 1980.

Aluminium starts with the disadvantage of being as much as three times as expensive as the equivalent amount of steel used in this type of application but has emerged with a 30 per cent. price advantage over steel at the finished structure stage because of a sophisticated method of construction.

As well as reducing the initial capital expenditure, the use of lighter aluminium coaches is also expected to save the metro Frs.1m. a year in energy economics. The weight of the coach structure is 40 per cent. less than steel, though the weight of the finished train is only 8.5 per cent. less. This will still make it possible to save between 1,500 and 2,000 litres of fuel per year per coach, it is estimated.

The special construction technique developed by Alusuisse, which Societe Franco-Belge will be using, takes advantage of the extrusion properties of aluminium which can be forced through a die into a shaped element of considerable length without breaking.

The dies developed by the company make it possible to form a side panel which will stretch the entire 25 metre length of the railway coach and which will contain its own interior structural support. The panels are equipped with tongue and grooves so that they can be fitted to others to form the entire self-supporting sidewall of the vehicle, removing the need for welding to independent stiffeners.

The coach floor is similarly constructed of inter-linked extrusions which can be secured to the coach frame with only eight welds taking about one hour. According to Alusuisse, a steel coach design would require welding corrugated floor sheet to about 25 cross-members after the cross-members had themselves first been welded into position—a procedure that would require about 500 tack welds and 20 hours of labour. Altogether savings of about 500 hours in the construction of a single coach can be achieved, Alusuisse state.

Though not all types of railway wagon will be suitable for similar advanced assembly techniques, Alusuisse believe a big new market in railway transport will be opened up for aluminium as the system is developed.

The company is already a major supplier of materials to the railway authorities in Switzerland but here the use of aluminium has been determined by the need for lightweight vehicles to travel up steep inclines.

RHYS DAVID

● ELECTRONICS

A step to automatic layout

THE DAY will presumably arrive when the functional specification is read into one end of a grey box and a completed printed circuit board layout will emerge at the other.

Till then the assistance of engineers and draughtsmen is needed, and a conscious attempt to keep them fully integrated into the design process is the basis of System Integral One recently announced by Quest Automation and now sold to a Swiss electronics company.

Integral One is a combination of Quest Automation's interactive digitiser and a development of the Fides Domino program which in the U.K. is running on the 6600 series computers at SIA. Quest claims that it allows the layout designer to work in his usual way with pencil and paper and yet achieve 100 per cent. routed artwork together with properly drawn circuit and placement diagrams in a few days instead of weeks. With no further manual effort the system also produces photoplotter and NC drilling tapes.

Integral One essentially puts the interactive digitiser on line to the CAD system based on the CDC computer and Domino program via a phone line.

The process starts with the circuit engineer compiling a functional schematic and from this the layout designer derives a quick, first attempt at drawing the physical dispositions of components, lands and pads. On the interactive digitiser — designed specifically for printed circuit work — he then digitises the position of each component and the starts and finishes of all the interconnections, using some simple instructions and rules.

The equipment converts this essentially pictorial information into the coded form required for the CAD program and transmits it over line to the computer. Within an hour an approximately 90 per cent. routed artwork is sent back to the designer's end and stored on the local disc.

Two pen plots are generated from disc. One, in two colours (one for each side of the board), gives the virtually complete layout and the other shows the connections that were not possible.

These plots are placed on the digitiser and the interactive design facilities are used to complete the layout.

In an example quoted by the company the total manual design process took some 38 man-days with a further 36 man-days consumed in modifications caused by errors and design changes. Using Integral One the time was reduced to 26 man-hours, plus another two or three for design change editing.

The system can cope with boards up to 317 x 508 mm, analogue or digital and in multi-layers if necessary. There is no limit to the number of components or the number of pins per component. Three axis orientation of the components is accommodated.

Since only one quarter of the total elapsed time on a job is used with the man operating the system, one design station can support four draughtsmen for medium complexity designs, with a throughput of some 280 boards per annum. It is claimed that one man's throughput can be increased ten times.

The system is being made available on a bureau basis and further information can be obtained from Quest Automation, Ferndown Industrial Estate, Stapehill Wimborne, Dorset BH21 7NP (02017 6111).

GEOFFREY CHARLISH

● PROCESSES

Applies glue to magazine sections

IN-LINE spine glueing of magazine sections and other products on web presses at speeds of up to 500 metres a minute is possible from a unit developed by Pafra in Britain in conjunction with Ryco in America.

Working similarly to a ball-point pen "writing" adhesive on to a moving web, the Pafra machine can apply glue in as narrow a band as is required to hold the sections together. This results in a neater, less obtrusive spine and considerable savings in glue.

Glue is stored in a stainless-steel pressurised container and a back-up tank brought into operation by the operator once an electrical warning system signals that glue has fallen below a certain level. The system is set so that glueing commences at a pre-set press speed although a manual override allows setting-up on crawl.

Should adjustment of each head be required on the run, a hand wheel allows fine alterations to be made. An advantage of the system is that the only shut-off valve is the ball itself in the tip of the applicator. This eliminates potential clogging points along the line and means that the applicator is self-cleaning. The system is marketed in the U.K. by Euroweb, 3a, Fernhills, Kings Langley, Herts WD4 8PT (Kings Langley 63713).

Mirror may not be smooth

ONE OF the problems encountered by most processing industries handling glutinous or semi-liquids is the adhesion of these substances to surfaces with which they come into contact. These surfaces are usually the internal walls of vessels fabricated from stainless steel. The majority of processing plant installed in the U.K. has until now been mechanically polished internally.

Under a microscope, a mechanically achieved polished surface is shown to consist of millions of fine scratch marks into whose micro pores and cracks glutinous substances can readily adhere. This can prove particularly problematic when related to subsequent cleaning and rinsing operations.

An alternative, and probably more effective method of achieving the anti-stick qualities of the stainless steel surfaces is to employ electro-polishing. The electrochemical action of electro-polishing progressively eliminates micro roughness at the surface, producing a smooth, uncontaminated finish.

A variety of processing vessels can be electropolished in situ by such specialists as Poligrat, P.O. Box 177, 30 Graham Street, Birmingham B1 3LP (021-236 1608), although it will usually prove cheaper to have this work carried out on completion of manufacture, if possible at the fabricator's works.

All surfaces coming into contact with sticky masses will require the improved non-stick action of electropolishing and certain parts, which will ultimately be assembled inside the processing vessels, may have to be treated separately. This was the case when Poligrat recently electropolished a long 4.5in. diameter stainless steel agitator shaft for installation in an electro-polished reactor vessel.

● INSTRUMENTS

Fills small containers

AN AUTOMATIC version of the Bexuda "Mini-Popular" small-volume liquid filler is available from Becker Equipment and Lifts, Ealing Road, Wembley, HA0 4PA (01-903 0211)—a TI Machine Division company.

Single and twin-head versions can be supplied with up to four interchangeable metering cylinders (which can be autoclaved), covering filling volumes from 0.5 to 50 millilitres.

There are no piston cups or seals to cause problems with difficult products in the reciprocating metering pump, and all parts in contact with the product are of stainless steel.

Miniature pneumatic components are used for the automatic control, and the unit is supplied with container conveyor and handling facilities to customer requirements.

Measures the level

LEVEL measuring and indicating equipment made by Bindicator, of Port Huron, U.S., is to be marketed in the U.K. by William McGeoch and Co., (Birmingham), 124 Electric Avenue, Witton, Birmingham B6 7DZ (021-328 0940).

The equipment includes a weight type level seeking control for measurements of fine powders, granular or lump materials, liquid, liquid interfaces and liquid to solid interfaces in open or closed bins or tanks.

A sensing weight or float, suspended by a stainless steel cable, is lowered to product level by a weight-sensitive pulley and drive mechanism. Measurement is obtained on demand by manual actuation of this mechanism, or on a sequential time basis by using an optional timer. A digital read-out unit records distance to product or height of product.

For continuous or point level control the Prim-Co radio frequency level measurement probe will be available. The company says the principal advantage is that its operation is not affected by moisture or a build-up of a material coating on the probe. It can work in temperatures up to 500deg.F., and at pressures up to 100 psi.

Timely move by Blick

PRINCIPALLY known for its time recording equipment for factories and offices, Blick National Systems has secured sole U.K. marketing rights for digital clocks made by Solari and Co. of Udine, Italy.

This means that Blick will be in the forefront for the supply of clocks of this type which will be offered for both commercial and domestic use. There will be two main types, the Cifra which indicates time only and the Dator range which also shows the date.

Blick has just moved its head office from London and is now at Blick House, Techno Trading Estate, Swindon, SN2 6ER (Swindon 692 401.)

● MATERIALS

Low cost non-skid floor

MINERAL "black pepper" in the form of tiny abrasive granules forms the non-slip element of a low-cost non-skid epoxy floor topping system introduced by Lamacrest, Crown Works, Cold Bath Road, Harrogate, Yorks. (0423 66656).

Intended for use in locations which are not normally subjected to heavy vehicular wear, Lamacrest "E" costs from £1.50 per square metre, varying with the thickness of base resin used.

It is available in a number of pastel colours and although only 0.5 to 1.0 mm. thick, is said to be immensely tough and hard-wearing, and resistant to a variety of oils, acids and greases.

A two-pack product, consisting of base resin and solidifier which are mixed (equal parts) on site, it can be applied by float, brush, or roller and adheres to properly prepared concrete and other surfaces. Abrasion resistance is stated to be about 14 times greater than concrete, and compressive strength is in excess of 7,000 psi.

Base coat is normally applied at between 1 and 2 kg. per square metre, depending on the substrate, the larger quantity providing a thickness of about 1.00 mm.

The "black pepper" is one of the finest grades of aluminium oxide particles which are tough, resist polishing and wear, and give a good grip. This is scattered over the base resin, while it is still wet, at the rate of 0.5 kg. per square metre.

● HANDLING

Hygienic waste cart

ANCHORPAC is to market a range of enclosed carts which have been developed for industrial and municipal use to handle both liquid and solid waste.

Eurocart is made in 1,100 and 770 litre capacities, and can be handled by one man or a tractor—towed in train from scattered collection points as required.

It has a self-closing lid, retaining catch, safety rubber seal and an automatic catch which holds the lid partially open during loading.

Dimensions of the 1,100 litre cart—which is fitted with a drain plug which allows the unit to be hosed through and cleaned—are: 137cm long, 143cm high, 110cm wide. The 770 litre cart is 88cm wide, other dimensions being identical.

Anchorpac, Bell Lane, Amersham, Bucks.

● PLASTICS

Blown and pressed to shape

A thermo-forming machine for fabricating plastic products up to a finished size of 900 x 550 x 280 mm is available from UMO Plant, Blackhorse Road, Letchworth, Herts. It is built in the USSR.

Flat sheets of thermoplastic materials, from 15 mm thick and to a maximum size of 1,060 x 580 mm, are fed into the 12kW heating chamber. In the forming unit the blank is subjected to a pre-blow of compressed air (90 psi), which stretches the material prior to the forming phase. The pre-blow avoids drag of material and gives uniform distribution.

The forming unit has a clamp tonnage of 100 tonnes and a plug force of 12.5 tonnes with a depth of draw of 200 mm. Excess material is automatically trimmed at the edges so that the operator can press out the finished article.

Replaceable forming tools enable almost uninterrupted production to be maintained. The unit has a peak production rate of 24 articles per hour with a throughput of 17.3 sq. metres.

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Accountants - Jamaica

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Our client, a publicly owned group of Jamaican companies operating the largest bakery in the Caribbean, three other bakeries, two manufacturing operations, real estate development and retail outlets, invites applications for the three positions outlined below, all of which will be based in Kingston.

Internal Auditor

A new appointment involving the setting up of an internal audit department for the overall operations of the Group. Candidates should be qualified accountants with a minimum of 7 years' experience in the profession or in internal audit with managerial experience. A knowledge of the food processing industry and general manufacturing operations would be an advantage. Reference MCS/1835.

Group Cost Accountant

Will report to the Corporate Controller and be responsible for project feasibility analyses, special costing exercises and for the analysis and interpretation of the Group's bi-weekly management information. Candidates should be qualified accountants, preferably ACMA, with a minimum of 5 years' experience in factory costing and manufacturing accounting operations. Reference MCS/1836.

Group Accountant

Will work with the Group Controller in developing the Group Accounting function for the foods division. He will also establish a cash management function within the division. Candidates should be qualified accountants with a minimum of 5 years' experience in industry or as a field auditor in a manufacturing operation. Reference MCS/1837.

Commencing salaries will be negotiated in the region of £8,000 p.a. and a company car will be provided. A two year contract will apply for each position, with eight weeks paid leave of which up to three weeks may be taken at the end of the first year. Return air passages will be paid.

Candidates should write for a personal history form, quoting the appropriate reference to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD.

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This is the top financial appointment in the UK subsidiary of a multi-national company, whose current growth and profitability records are outstanding. Current sales turnover in the UK exceeds £10 million, and further vigorous expansion is planned. Its range of consumer products are amongst the brand leaders in its segment of the market. The Financial Controller will report to the Managing Director, and will make a major contribution to general policy making of the company. His key tasks will include the control and refinement of the company's budgetary and forward planning systems, and the management of credit and order control. He will be responsible for a well qualified team, and have the support of EDP. Aged in his thirties and a Chartered Accountant, the candidate should currently be working in a senior financial position, preferably with a company marketing packaged consumer goods. Salary is negotiable dependent on experience, but is envisaged at around £8,000+; a company car will be provided. Location is Central London.

(Personnel Services: Ref. AA48/5365/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

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You must be able to think creatively, have sound commercial experience, with the ability to apply that experience to current problems and to communicate the conclusions effectively, both orally and in writing. You should have an accounting qualification; an economics degree and/or banking experience would be an advantage.

Write in confidence giving age, career to date and present salary quoting ref FT/84 to:—

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The successful applicant will have, in addition, the ability to take responsibility at an early stage and also be prepared to undertake an overseas appointment within two years.

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Appointments, 353 9183.

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APPOINTMENTS WANTED

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with specialised trading knowledge in Hong Kong, Taiwan, Korea, China and Far Eastern countries, recently returned to U.K., now seeks a challenging position to which he may apply his talent. Existing connections in these areas include executives from many varied *industries up to ministerial level*. This inquiry is directed at mail order houses, multiple stores or any large organisation wishing to purchase/sell or dec[e]lop in this area. Can offer full knowledge of trading conditions, economic, political and currency exchange dealings access to money markets should need arise. Genuine inquiries only to Box E.6319, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICES

U.K./U.S.A. GULF WESTBOUND RATE AGREEMENT
(F.M.C. RATE AGREEMENT No. 8770)

NOTICE TO SHIPPERS AND CONSIGNEES CARGO INSPECTION

Member lines of the U.K./U.S.A. Gulf Rate Agreement, No. 8770 have been giving serious thought to the introduction of a cargo inspection service for the purpose of checking that correct freight is paid in respect of traffic shipped from the U.K. to Key West, Florida/Brownsville, Texas range of ports in the U.S.A. and they have now decided to engage the services of Messrs I.S.T. (Shipping Inspectors) Ltd., to carry out such an inspection service.

The lines feel that this inspection service will ensure that all traffic shipped from the U.K. to U.S. gulf ports is paying *the ocean freight on the correct commodity* description and weight measurement or value and that no shipper is gaining an unfair advantage in this respect.

It is the intention of the lines to introduce into the *freight* tariff provision to permit that, in instances where it is found that freight has been underpaid on any consignment by reason of the cargo or incorrect declaration of the weight, the measurement or the value thereof, the shipper concerned will be required to pay the difference between the freight paid or payable on the information furnished by the shipper and that which should *have been paid under the published tariff* had such details been correctly given, plus an administration charge of 25 per cent. of this amount, which will be subject to a minimum of Dlrs. 50.00 per bill of lading. Alternatively, in instances where for any of the foregoing reasons, freight *has been overcharged this will be reduced* to the correct basis and a refund be made to the shipper concerned.

The member lines feel that the inspection service can only help to improve the relationship between shippers and themselves and they seek the co-operation of the shipping public in its operation.

The Secretary,
U.K./U.S. Gulf Rate Agreement No. 8770

Cunard Buildings,
Liverpool, L3 1DS.
England.
August, 1975.

THE CONVERTIBLE BOND FUND N.V.
(Incorporated with limited liability in the Netherlands Antilles)

SHAREHOLDERS IN THE FUND are advised that payment of a dividend of U.S. Dollars 0.18 per share has been approved *by the Board of Management. This is an* interim dividend in respect of the year ending 31st December 1975, and consideration will be given to a final dividend at the end of the financial year.

Coupon No. 14 on bearer share certificates will be paid on presentation at the Offices of the Paying Agents *on and* after the 28th August 1975. Distribution cheques will be posted to holders of registered shares on that date.

Copies of the interim report of the Fund for the period ended 30th June 1975 will be available at the offices of banks and brokers from whom shares were pur*chased and at the offices of the Paying* Agents.

By order of
THE BOARD OF MANAGEMENT.

Curacao.
21st August 1975.

PUBLIC NOTICES

STRATHCLYDE REGIONAL COUNCIL BILLS

£6.mil. Bills issue 20-8-75, maturing 19-11-75 at an ave. rate of 10.3854%. Applic. tot. £44,500,000 and there are £22.mil. Bills outstanding.

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GENERAL APPOINTMENTS

Director, Group Information and Computer Services

c. £14,000 + car

Our client is a major British business group with strong international associations, and this new top level appointment in one of the divisions will involve close liaison with all Group companies.

As Director, Group Information Services, you will be responsible for the service provided by the central computer facilities to member companies, and for advising on and coordinating the development of new information systems throughout the Group. You will also have a key role in the formulation of the Group's future strategy in this area.

To meet the needs of this demanding post you will probably be aged over 40 and should have a general business management background coupled with a thorough knowledge of up to date computer developments. You must show evidence of achievement in these areas and of the ability to communicate at the highest level in their own terms with Chief Executives and others. Innovative skills in the successful development of information services in a decentralised organisation would be advantageous.

The salary is negotiable and unlikely to prove a bar to the right man: there are the usual fringe benefits, including a car. The appointment is located in West London.

Please send your c.v. in confidence to the Senior Consultant advising on this appointment.

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J. A. G. Newby,
PA Management Consultants Limited,
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London SW1X 7EE

Investment Manager

and

Investment Analyst

required by

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Both appointments carry a considerable degree of responsibility and discretion. The Fleming group is widely represented overseas and good opportunities exist for advancement both in the U.K. and abroad.

Applicants should write to D. W. J. Garrett, Robert Fleming Investment Management Ltd., 8 Crosby Square, London EC3.

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Write Box E6308, Financial Times,
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Chief Executive

Hotel & golf centre

c. £12,000

Two well-established British companies have combined to develop a new hotel, golf and leisure centre complex in an attractive part of the Midlands. The complex will embrace a top classification hotel, two standard championship golf courses, and a sports/leisure club. The headquarters of the Professional Golfers' Association is also being re-located there, and the complex will provide the venue for some of the major professional tournaments. It is planned to open the centre in mid 1977. A Chief Executive is now required who will take over complete control of the project, and be responsible for its successful promotion, opening, and profitable operation. Candidates should ideally have previous experience in managing a similar type of project, where they have had full commercial responsibility. They should have the ability and enthusiasm to market the concept both nationally and internationally. Remuneration will be negotiated around £12,000 and a car will be provided.

(Personnel Services: Ref. GM41/5367/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

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TEXTILES

A vacancy exists in the Research Department of a major firm of stockbrokers for an experienced analyst to cover the Textile sector. The requirement is to produce in-depth work principally for the use of the firm's Institutional clients. Background qualifications would include a university degree and research experience with either an investment institution or with a firm of stockbrokers.

Applications will be forwarded direct to our client. Please indicate in a covering letter any firm to whom you do not wish your application to be sent. Please write, quoting ref. 794, to:

W. L. Tait,
Touche Ross & Co.,
Management Consultants,
Executive Selection Division,
27 Chancery Lane,
London, WC2A 1NP.
Tel: 01-242 9451.

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HOME NEWS

British Leyland to stop production of Guy trucks

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND made its first model rationalisation move since its reorganisation yesterday with the announcement that it is to stop manufacturing its Guy range of trucks from the middle of next year.

Some 750 jobs are involved at the Guy plant in Wolverhampton, but the company has assured the men that there will be "little effect" on employment.

The plant is to continue as a centre for CKD kits (completely knocked down) for assembly overseas, and will become a component manufacturing unit for other factories in BL's bus and truck concern.

Bus chassis are among its specialities, and the plant will also produce axles and other assemblies as they become necessary during the rationalisation programme.

Last year Guy produced some 2,000 trucks in the medium to heavy range, and took under 2 per cent. of the U.K. market. Like its fellow BL marques Scammell, AEC and Leyland, the Guy name is one of the most celebrated in the British industry. But Guy has been faced with the problem that its models overlap with others in the group.

Its 32-ton "Big J" truck clashes with the Buffalo and Mandator (made at Leyland), and the Marathon (made at Southall, the AEC plant). In the 24-26 ton range, Guy's products compete with the Clydesdale, made in Glasgow, the Lynx (Leyland), and the Mercury (Southall).

Now the truck and bus concern, under managing director Mr. Ron Ellis, a main Board director, has made the difficult decision to sever a name which has attracted considerable brand loyalty in the past.

The concern has been one of the more profitable areas of BL, never making a loss during the corporation's eight-year history. Many critics of the proposals made by Lord Ryder on the future of BL have suggested that it should be hived off as a viable unit.

However, there is little doubt that it has been starved of funds in the past, as preference was given to the car interests, and that rationalisation has not gone far or fast enough. Under the Ryder proposals, the company will get £350m. for investment in new plant, the development of an engineering facility and test track, and for rationalisation.

In the long term the company is aiming to develop its separate plants—widely spread from Glasgow to London and Bristol—on a functional basis. Some will continue as assembly areas, and *others concentrate on components*.

It is thought that in broad terms the Scottish-based factories (Bathgate and Albion) will make the lighter range of vehicles, Leyland, in Lancashire, the medium range, and the Scammell and AEC factories the heavier vehicles.

At the same time BL has to continue the fight against imports. Until this year these have risen steadily in the U.K. market as the British industry found *itself unable to supply—partly* the result of under-investment, particularly at BL, the critics suggest.

So far this year the British share of the truck market over 3½ tons has improved, but BL's penetration has gone down.

Wool textile £600,000 restructure

By Rhys David

ILLINGWORTH, MORRIS, the Yorkshire group which now controls a substantial portion of the U.K. wool textile industry, is to spend £600,000 on a re-equipment programme at its Huddersfield Fine Worsteds subsidiary.

The scheme, one of a number of moves the company has made this year to strengthen its position in the industry, will involve centralisation of production for four of its fine worsted branches, Broadhead & Graves, Josiah France, Learoyd Bros. and Martin Sons, at two mills, Trafalgar, Huddersfield and Kirkheaton, near Huddersfield.

The four branches will retain their independence and individuality in designing and marketing and the re-organisation of production will enable them to maintain and improve their competitive position in world markets, the company states. Following rationalisation the labour *force is likely to be around 1,650.*

The company's announcement comes with some four months left for applications to be made for assistance under the Government's Industry Act scheme for the Wool Textile Industry.

● NEWS ANALYSIS—BIBA

Disposable as its clothes

BY ELINOR GOODMAN

SO the Biba store looks like proving as disposable as the clothes it sells. British Land, which has always appeared to regard its ownership of the store as a distraction from the main purpose of making money from property, is now even more lukewarm about its interest in the fashion market.

Accompanying Tuesday's announcement of a pre-tax loss of £6.6m. for the year ending March 31, 1975, came a terse statement from British Land saying that Biba was to close in the autumn to allow the necessary conversion to take place for the take-over of part of the Kensington High Street site by Marks and Spencer.

It was already known that Marks was going to occupy part of the site but the indications last month were that Biba would be allowed to continue trading in at least a small corner of its once bright empire.

Now the British Land management, with what it describes as a "queue" of retailers wanting to take space alongside Marks, appears to be less committed to Biba's continued existence. The attitude is that if smaller premises can be found at a lower rent, then Biba may go on trading.

If no alternative premises can be found, then, as far as British Land is concerned, Biba may have to go out of business though the name will live on as a cosmetics brand.

Biba, in other words, has served its purpose: it has helped pay the bulk on the old Derry and Toms site for the duration of the rent freeze. Now, with the rent freeze over, it may have to move out to allow British Land to exploit the potential of the property.

Glittering

The fact that Biba (through its parent company Dorothy Perkins) belongs to British Land means that the store is not entirely representative of the high fashion retail trade as a whole.

Its role as an honorary tenant in the glittering halls of Derry and Toms meant that it was perhaps able to live off its glorious past for far longer than had it been viewed as a self-contained profit centre.

Even so, the possible demise of Biba, whose early success tempted so many other entrepreneurs into the boutique business, must send a nervous shiver through the spines of other businesses which depend for their profits on the fickle tastes of the under-25s.

Certainly it can be argued that the youth market is less likely to be hit by a recession than those fashion areas which depend for their custom on mortgage-ridden married women. But fashion is, by its very nature, a high risk business. The denim market, for example, which was the big money maker of last year, looks as if it could be in for a bad time in 1975.

Weeding-out

There has already been a weeding-out of many of the smaller groups which started boutiques in the wake of Biba. Now most of the fashion shops trading in London's main shopping streets are owned by groups. Irvine Sellars, which operates the Mates chain, has 45 stores in prime sites around the country, while Bus Stop, once a next-door neighbour of Biba's in Kensington Church Street, has a chain of 13 shops including one in Holland.

Both these groups take the view that even if the recession does hit the youth market, they will be able to ride it out. So far, they say, sales have held up well.

The ones to suffer, they say, will be the remaining independent operators which do not have the cash flow to cope with ever-increasing overheads and falling sales.

Like so many other retailers, the fashion trade sees rent and rates as the two biggest problems. Shops, which took out leases in the late 1960s, are now coming up to their seven-year rent reviews and facing rent increases of up to 400 or 500 per cent.

Obviously, such increases can undermine the profit basis of previously healthy companies.

Like Biba, therefore, a good many boutiques are going to have to learn a lot more about the hard facts of business life over the next few years.

Inflation rate 'could fall to 10% by third quarter next year'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

IF THE Government's counter-inflation policy is successful, the rate of inflation in the U.K. will be down to 10 per cent. by the third quarter of next year, according to forecasts produced by the Confederation of British Industry.

The rate of wage inflation is expected to be at 11 per cent. compared with the 25 per cent. the CBI's economic forecasters expected before the announcement of the counter-inflation policy.

But the CBI adds: "Although the success of the pay policy is assumed here, the role of market forces in reducing the rate of wage inflation should not be *overlooked, and even in the* absence of Government controls, some declaration would have been assumed because of the level of unemployment."

The CBI estimates that unemployment will reach 1.25m. by the third quarter of next year (excluding Northern Ireland and full-time students).

Despite this, it foresees increased pressure for bigger wage increases because of a fall in real incomes, which in the past nine months are estimated to have dropped by 7.3 per cent.

This estimate of the fall in living standards is one of the largest yet produced in recent forecasts.

Increases in prices, rates and taxes in the early part of the year and unemployment are blamed by the CBI for the fall. But the confederation does point out that the estimates are only "central estimates from within relatively wide ranges and should be treated as such."

The CBI urges the Government to buttress *its pay policy* with suitable monetary policies and curbs in public spending.

The fall in real incomes is having an impact on consumer confidence and the CBI states: "It is quite possible that the psychological effects of the present recession are deeper than those of previous post-war recessions: consumers may have lost some of their confidence that any falls in real income can be no more than a temporary aberration."

The CBI believes that in the corporate sector the liquidity situation has improved, not because of any improvement in income but because of more extensive de-stocking and a greater reduction of the volume of fixed investment than had been expected when the confederation's last estimates were produced.

The Government's pay policy should also help company liquidity and there should be some reduction of the very considerable burden of net short-term indebtedness.

"But that burden will remain so heavy as to serve as a significant constraint not only on the planning of fixed investment but also on current activity levels."

Paper and board output still depressed in first half

BY LORNE BARLING

PAPER and board production figures for the first half of the year showed no improvement in the seriously depressed market, although industry sources said demand had improved slightly in July, probably in anticipation of holiday shutdowns at mills.

However, the industry believes that destocking of most grades has now nearly ended and this would explain the need for customers to buy in advance of the summer period. Slightly improved demand in Germany and the U.S. has also generated some limited optimism.

But the overall situation remains similar to the earlier part of this year and even the previously buoyant market for tissues has suffered in the kitchen towel and facial tissue sectors, although it remains the only grade in which production is up on the first six months of last year.

Packaging

Packaging board production was down by 31 per cent. in the six months compared to 1974, and Thames Board Mills said its production in July reached 80 per cent. of capacity compared to 70 per cent. earlier in the year.

There had been some evidence of the housewife trading down on food products, and perhaps making more at home, but sales of frozen foods were apparently holding up well.

Overall paper production at 1.38m. tonnes was 22 per cent. down on the 1974 period, with food wrappings down 29 per cent., newsprint down 18 per cent. and printings down 25 per cent. Household, toilet papers and tissues were up 4 per cent. and other tissues down 8 per cent.

Total board production was down 28 per cent. in the six months at 435,100 tonnes, with packaging boards down 31 per cent. and industrial and special purpose boards down 18 per cent.

PRODUCTION OF PAPER AND BOARD

	June 5 weeks 1975 '000 Metric Tonnes	January-June 26 weeks 1975 '000 Metric Tonnes	6 mnths. 1975 of 6 mnths. 1974
Newsprint	27.7	166.4	−18%
Printings and writings, papers and boards	82.7	472.7	−25%
Foods wrappings	4.2	22.6	−29%
Kraft wrappings	12.8	74.7	−23%
Other wrapping and packing papers	68.2	365.0	−27%
Household, toilet papers and tissues	35.3	181.7	+ 4%
Other tissues	1.1	9.7	− 8%
Industrial and special purpose papers	17.4	89.2	−31%
SUB TOTAL	249.4	1,382.0	−22%
Packaging boards	54.3	321.3	−31%
Boards for industrial and special purposes	20.4	93.3	−18%
Other boards	4.4	20.5	−20%
TOTAL BOARD (excluding printing and building board)	79.0	435.1	−28%
TOTAL PAPER AND BOARD (excluding building board)	328.4	1,817.1	+24%
Building Board	1.5	10.8	−13%
TOTAL PAPER, BOARD AND BUILDING BOARD	329.9	1,827.9	−24%

Totals do not always add due to rounding

Unit trust sales fall in July to £24.64m.

BY ERIC SHORT

UNIT TRUST sales in July fell by £1.9m. on the month to £24.64m., while repurchases rose by £1m. to £12.04m. This resulted in net new investment last month of £12.60m., compared with £15.57m. in June, thus *reversing the upward trends* seen so far this year.

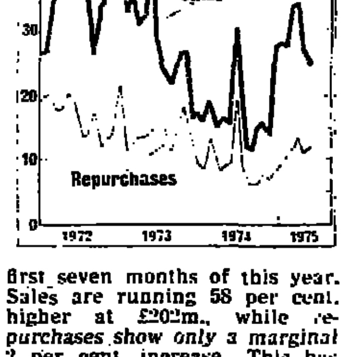
Leading groups in the industry confirm this fall in sales last month as far as their own trusts are concerned. They tend to attribute this relative quietness to several general factors, such as the time of year, the retrenchment in the equity market and a technical reaction to the buoyant sales over the first six months of the year.

All were agreed that there was no single significant factor to account for the decline, but were hopeful that the second half of the year would ultimately be as productive as the first especially if the equity market picked up again.

However, compared with last year's figures the results for July look very promising. Net new investment was £1.2m. higher than the corresponding month in 1974, the higher sales then of £30.5m. being more than offset by the volume of repurchases at £19m.

The value of unit trust funds at end July amounted to £2.07bn. and this figure looks much healthier than a year ago when it had declined to £1.68bn. However, the effect of last year's loss of confidence is reflected in the number of unit holders' accounts which at 2.20bn. is still marginally below the corresponding figure for last year of 2.21bn. The value of unit trust funds actually declined slightly last month by £130,000 reflecting the fall in equity values.

The extent of the recovery in the unit trust field from last year's fallow period is shown in the cumulative figures for the



first seven months of this year. Sales are running 58 per cent. higher at £202m., while re*purchases show only a marginal* 2 per cent. increase. This has resulted in a rise of 141 per cent. in net new investment of £125m. compared with £52m. for the first seven months of 1974.

Sales figures for July include the initial launches of National Westminster's Extra Income, the Leo Capital fund and the Carliol High Yield trust. There were no initial offers in June.

Britain's top secretary

"The most difficult part of being a secretary is maintaining an even temperament in front of the boss," says 27-year-old Mrs. Christina Eveleigh, who was yesterday nominated as Britain's top secretary by the London Chamber of Commerce and Industry.

She won her gold medal and £70 prizes by coming first in the one-year, part-time course for the private secretary's diploma, which fewer than half the 343 candidates passed. Graduates of the course can earn up to £4,000 a year.

Mrs. Eveleigh works for the Portsmouth Council as a public information assistant, having previously been a personal secretary on the council staff.

Moonlighting coach drivers protest

BY CHRISTIAN TYLER, LABOUR STAFF

THE Transport and General Workers Union has made a vigorous protest about the employment of part-time or "moonlighting" coach drivers.

In a letter to Transport Minister Dr. John Gilbert, published yesterday, the TGWU calls for a public inquiry into what it calls "the extremely dangerous situation" in which 50,000 out of 224,000 licensed coach drivers are not full-timers.

The letter, from Mr. Larry Smith, the union's national secretary for passenger transport, says that modern motorway driving requires a "fully-trained, fully-employed" public service vehicle driver.

Text of Mr. Wilson's broadcast

IN HIS broadcast last night the Prime Minister said: For hundreds of thousands of British homes this autumn the shadow—for so many of them the reality—*of unemployment is threatening* standards each family has taken for granted for years past. Not only the breadwinners, but young people leaving school and seeking their first job.

We all know the causes of this threat. The whole industrial world faces the most virulent trade and employment depression since the thirties. Until recently the loss of jobs here in Britain was smaller than in most other advanced countries, but now it is getting more grim each month. But until the expected up-turn in world trade, the outlook for employment is bleak.

A second reason is of much longer standing. Industry's failure over the past twenty years to invest in industry, new plant, machinery, factory buildings, industrial modernisation—under successive Governments. All of us. Government and industry included, share the responsibility.

But the third, the increasingly dominant factor, is the effect of inflation on industry's ability to provide jobs — jobs for those established in industry, jobs for school leavers. While last year it was world factors as well as our own performance here in Britain that created the main trend—this year it has been almost entirely internal prices and costs, including pay, which have aggravated *inflation, hit industry and hit the* housewife.

It is cruelly unfair that the hardest hit of all are those least able to help themselves. The lowest paid, large families, the pensioner, the long-term sick, the disabled. The Government has a duty to protect, we are protecting to the fullest extent in our power, some of the hardest hit. Protecting them by food subsidies. Protecting them by rent control, the help we have given on mortgages and rate and rent rebates and allowances. Later this year there will be the third increase in pensions and other social benefits in 18 months. But all the time, the protection is eroded, as pensions and other help are eaten into month by month by still higher prices.

We have tight price controls, but there is a limit to what can be safely done by price control. Price control which cuts manufacturers' and traders' profits to the bone can drive them into bankruptcy and cause further losses of jobs: that is one reason why we cannot just simply introduce a flat price-freeze. There are still recent cost increases including recent pay settlements which have to work their way through and therefore some prices will have to rise. For example in public industries and services. It has been the policy of successive Governments to see that they pay their way, with revenue from charges covering their costs.

All incomes

We must keep our industrial costs down, and this means all forms of pay, all incomes. There is no other way. There may be those who, by the use of their own industrial muscle, feel that they could get for themselves such a pay increase as to enable them to escape the rigours of inflation. In the short term, yes—at the expense of more unemployment, at the expense of millions weaker than themselves. In the long term, they delude even themselves, for they and *their families have to face the* lash-back of the inflation they generated by their own actions.

Last month I announced the Government's decision that we must get the rate of price increases down from over 25 per cent. a year to 10 per cent. by next autumn, and then down to single figures by the end of the year. To achieve this means firm control over costs, and that includes pay.

The limit on pay settlements is £6 per week, with no increase at all for those getting £8,500 a year or more. Six pounds a week maximum. No scope for negotiating exceptions. Rough justice, but necessary.

I believe that this national policy is widely supported as a fair policy. It has massive support from the trade union movement, and some unions who had reservations have, in the past month, now given it their support.

Everyone wants to know what is expected of them, what they can do. Join the attack on inflation. Get involved. Help the consumer authorities to monitor prices. Support the policy as it applies to you. Do all you can to persuade those with whom you have influence to support the policy. Make your views *heard. Don't let minorities take* decisions for you in your absence. Stand up to any who seek to cash in on the difficulties every family, every industry, every factory perhaps will face. Don't let them talk you out of it.

Be clear on this. In seeing the policy through the Government will not weaken. As direct employer, as treasurer, and paymaster of public industries and *services, the Government will* see that the limit is observed.

Nationalised industries will not be able to pay over the odds. Local authorities. Councils have been told that they must apply the limit equally strictly. They know the Government will not countenance, still less subsidise, any over-payment. In the private sector, firms will not be allowed to pass on any excessive pay settlements in prices.

This national policy is an essential weapon against the growing menace of unemployment. It is an essential expression of the national self-discipline required for us to get on the road to full employment.

That is why the next year is crucial. It is the year in which we must say "Stop." In those 12 months, while all incomes are limited, the living standards for many of our people will show *no improvement. For very many* they will fall. This harsh truth must not be disguised.

And the battle cannot be won in a single year. The fact that the world has been knocked off its axis by a universal recession and the five-fold increase in oil prices alone would make that impossible. But that does not excuse us for failing to begin *to tackle the problems that have* developed within Britain over the years. Lack of investment, acquiescence in chronic overmanning in essential industries, endemic problems of industrial relations in individual industries and individual plants.

Everyone on both sides of industry must recognise that you can't take out of industry more than you put in. That means that restraint on incomes is not of itself enough. With it must go harder work, work better organised, and, through more and better directed investment, more machine-power at the worker's elbow.

Rough justice

This year justice will be rough, but justice will be there none the less. It is the Government's duty to ensure that *however rough the going—there will* be justice. If we failed now, the going would become increasingly rough, with precious little justice left to share out.

We now have a better chance to conquer the evil of recurrent inflation than at any time in the last 30 years. The country is alerted and determined. There is a consensus in industry, and between industry and Government. And, since we know that by the end of the seventies our national economic position can be transformed by our North Sea oil assets, the sacrifices we make now can lead to a new era for our people.

The prospects for our country if we were to fail would be grim indeed. But I do not believe we will fail. Inflation may well take years to eliminate, but, by working together, I believe that by this time *next year a crucial* advance will be seen to have been made. That is why I ask that the next year be a year for Britain—for Britain, by all of us, the people of Britain.

U.K. ECONOMIC INDICATORS

		1975			1974	
General	Unit	July	June	May	July	June
Unfilled vac's ¶	'000s	128.7	141.3	164.1	451.7	447.5
Unemployed ¶	'000s	1,087.8	869.8	850.3	566.8	515.8
Currency resvs.	$bn.	6.259	6.198	6.491	6.680	6.711
Manf'd prods. d	1970=100	191.5	189.0	187.3	153.5	151.1
Bank advances b	£bn.	14.255	13.646	14.766	n.a.	n.a.
Retail prices ...	Jan.'74=100	138.5	137.1	134.5	109.7	108.7
Wage rates	July '72=100	183.3	181.1	175.4	139.8	135.4
		June	May	April	June	May
Basic mater'ls d	1970=100	227.5	225.8	222.9	213.9	214.0
Terms of trade	1970=100	82.2	80.8	79.8	73.2	72.8
HP debt'	£m.	2,257	2,284	2,290	2,321	2,352
Indust. output*?	1970=100	100	101.2	102.0	108.6	107.5
Rtl. sales val.°°	1971=100	172.1	165.9	184.4	143.4	138.5
		1975			1974	
Trade and Industry		July	June	Jan.-July	July	Jan.-July
Imports f.o.b.°*	£bn.	1.840	1.598	1.708	1.810	1.674
Exports f.o.b.°*	£bn.	1.546	1.438	1.500	1.336	1.225
Visible trade balance	£bn.	−0.294	−0.160	−0.208	−0.474	−0.449
		June	May	Jan.-June	June	Jan.-June
Comm. vehicles°	'000s	28.2	31.8	33.2	41.2	33.1
Cars°	'000s	91	70	104.1	165.9	137.8
TV sets‡‡	'000s	162	152	213	229	260
Radios, radio-grams‡‡‖	'000s	381	384	385	455	483
Steel (weekly average)°	'000 tonnes	343.5	336.3	426.5	480.5	436.2
Houses cmpltd.¶	'000s	29	28.8	25.1	19.8	21.7
Bricks*	m.	418	423	410.6	517	484
Cement (wkly. average)°	'000 tonnes	351	365	328.8	385	346
Man-made fibres*	m. kgs.	47.00	53.64	46.31	55.33	58.19
		May	Apr.	Jan.-May	May	Jan.-May
Furniture†°* ...	1970=100	148	162	152	136	136
Petroleum†	m. tonnes	6.32	7.57	7.31	7.13	8.03
Raw cotton (wkly. average)	'000 metric tonnes	2.54	1.87	2.06	2.44	2.27
		Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Hosiery*	1970=100	82	84	85.8	101	98
Engrng. (orders on hand)°° ...	1970=100	116	119	121	138	136.5
Elec. cookers† f	'000s	79.1	75.2	77.8	94.8	75.2
Washg. mchns.†	'000s	118.2	91.8	94.9	78.9	76.5
Raw wools§	m. kilos	9.6	9.3	9.2	11.0	9.8
		Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Machine tools†	£m.	27.5	25.1	25.2	22.2	18.5
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Consumer spending	£bn. 1970 values	8.950	9.059	18.009	8.782	35.759
Motor trade turnover	1972=100	145	137	141	122	115
		1975	1974			1973
		1st qtr.	4th qtr.	1st qtr.	Year	Year
Bldg. and civil engineering c...	£bn.	2.655	2.556	2.364	10.101	8.984

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. °° Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output.

CONTRACTS AND TENDERS

HOME NEWS

Benn brings pressure for oil platform orders

BY ADRIAN HAMILTON

MR. ANTHONY WEDGWOOD BENN, the Energy Secretary, has thrown his weight into a Government effort to get oil companies to bring forward their orders for offshore oil and gas platforms.

In a letter, released yesterday, to all the operating companies with new discoveries, Mr. Wedgwood Benn describes the capacity now built up in Britain to make platforms and modules, and expresses the serious worries of contractors and unions *about lack of continuity in* ordering.

Urging the companies to "consider afresh your present ordering intentions," Mr. Benn asks them to detail their ordering intentions in reply, so that the Department of Energy can draw up a survey of the situation, partly for the use of the unions, and consider any initiatives that might be taken.

The letter comes when British contractors, having been encouraged to build up substantial platform construction capacity, are faced with a sharp dip in new ordering and the prospect of a much lower rate of demand *over the rest of this* decade than at first expected.

Of the four yards producing steel platforms, and the two producing concrete platforms, in the U.K. *none* have follow-on orders from the platforms already under construction, and *several face the prospect of* unemployment unless they get new orders by the end of this year.

In this situation Mr. Wedgwood Benn is clearly aiming to put pressure on companies with new finds to speed their development plans, partly on the argument that they might face difficulties in having their platforms built if they let yards decline in the meantime.

Oil companies, on the other hand, are still reluctant to do this, saying that political as well as technological and economic uncertainties force them to take a much more cautious approach *to development*

Among the companies to which Mr. Wedgwood Benn has written are Shell and Esso (which has recently discovered a potentially commercial oilfield at Tern and has still to make a decision on a second platform for Cor*morant); Chevron, Burmah and* ICI, which have yet to make a decision on a third platform for *Ninian;* Total and Elf, which have still to announce development plans for the Alwyn Field; Amoco, Conoco and Gulf, which have yet to decide on the development of Hutton; Mobil, which is facing a decision on a second platform on Beryl; and several other companies

Bulk Scotch exports 'are jobs threat'

By Chris Baur, Scottish Correspondent

THE GENERAL and *Municipal* Workers Union yesterday expressed concern about the increasing export of bulk whisky to the United States and the damaging effect this was having on employment in Scottish bottling plants. It has again asked the Scotch Whisky Association to impose a "stringent voluntary control" over the *continued "export of Scottish* jobs."

The union's organiser for the industry, Mr. George *Robertson,* said that while total exports to the U.S. in the 12 months to June had fallen by 9 per cent., exports in bulk had risen by 8 per cent.

The Scotch Whisky Association said that the trend to bulk exporting resulted from the U.S. tax discrimination which gives locally-bottled spirit a significant price advantage.

West Germany tops foreign goods poll for quality

FINANCIAL TIMES REPORTER

WHIE THE British consumer is being urged to buy British goods—cars in particular—the British subsidiary of the American Gallup organisation has been check*ing up on attitudes to foreign* goods.

On average, Gallup discovered, the British consumer recognises at least five foreign countries as producers of high quality goods and nine out of 10 acknowledge the quality of goods produced abroad.

In 1960, when the first Gallup survey on this subject was carried out, the average was slightly higher. Whether the British have become more selective through familiarity, or slightly disillusioned through increased travel in the producer countries, is uncertain

In the past 15 years, however, there have been changes in British consumer attitudes to the different producer countries. In 1960, nearly two out of three people in Britain acknowledged the quality of American goods and that put the U.S. top of the league. But in the new survey the U.S. has dropped to eighth place, only 25 per cent. of interviewees mentioning it.

The top country for quality goods, in British eyes, now *is* West Germany, one in every two Britons acknowledging the quality of its goods. With most sections of the British public it has a wide lead over all the other countries and 19 percentage points over the number two.

The most dramatic change in standing has happened to Japan, which is now acknowledged by 36 per cent. of the British public as a country producing high quality goods making it number two. In 1960, it came only 23rd in the ratings, mentioned by only 8 per cent.

The progress of Japan is a reflection of the general tendency among British consumers to discriminate less when *shopping.* Fifteen years ago two in three discriminated against at least one foreign country when shopping—mostly for political reasons derived from the last war or the current relationship with the country. The top ten places in the *discrimination* league went to former enemy countries, Communist countries or countries with whom Britain had *had* political rows.

Japan is still top of the list of countries discriminated against, but the proportion of people singling it out has dropped to nearly a fifth from just under half in 1960. Four of the *countries in the present dis*crimination top ten, Spain, India, South Africa and Italy, are new*comers to the list.*

Spain, in fifth place, received twice as many mentions now as 15 years ago. *Poor publicity* about holidays may have rubbed off on the goods, suggests Gallup.

Skytrain hope for British Airways

By Michael Donne

IT IS open to British Airways to *make* application for a "Skytrain" type of low-fare, no-reservations service on the North Atlantic air route at any time in the future it sees fit, according to Mr. Peter Shore, Secretary of State for Trade.

In a long written *Parlia*mentary answer on his decision to ban the Laker Airways' Skytrain plan as part of his civil aviation policy review, Mr. Shore *says he* is convinced the disadvantages of Skytrain as proposed by Laker had come to *outweigh its advantages.*

Since 1972 there had been major changes on the North Atlantic air route, both in traffic growth prospects and through the introduction of cheap fare advanced purchase excursion (APEX) and advanced booking *charter* (ABC) *rates,* which eroded the advantages of the Skytrain low-fare no-reservations *service as planned by* Laker Airways.

"I consider it desirable to make provision for the cheapest possible form of transatlantic travel (consistent with economic operation), not only for some passengers but for all," says Mr. Shore.

"The essential feature of Skytrain would have been the com*bination of a low fare with pro*vision for last-minute booking, indeed last-minute booking *would not have been allowed.*

"British Airways already offer facilities of this kind on some routes. There is nothing in my proposals for the future of civil aviation which would prevent British Airways from seeking permission to introduce similar arrangements on the route between London and New York.

"My attitude towards such a *request would depend upon the* precise nature of British Airways' proposals and the situation *at the time.*"

Mr. Shore says the Laker proposed fares of £118 return (two single tickets, London-New York, of £59 each), would compare with a BA APEX rate of £160.20 in summer and £118.50 in winter, and with a BA ABC rate of £137 in summer and £99 in winter.

Mr. Shore sees no reason to compensate Laker Airways for *any losses incurred by it in* buying DC-10 jet airliners for the proposed Skytrain service.

"The purchase of these aircraft represented a calculated risk, on the part of Laker Airways, who saw an opportunity to buy them on favourable terms. The legal and other costs were incurred by Laker Airways in full knowledge of the risks involved."

Leicester plant cuts work week

BRITISH UNITED Shoe Machinery has introduced a further cut in the working week at its main Leicester engineering plant because of the depression affecting the shoe industry. Several hundred workers who have been on a 37-hour week since the start of May are now on a 32-hour week.

The move is a further blow to the Leicester area which has been badly affected by redundancies and short-time working in the knitwear and textile machinery industries.

BUSM, a major U.K. supplier of shoe machinery, blamed inflation and a slackening of order books for the cutback in working hours.

● The Prime Minister was yesterday urged to curb the imports of cheap goods from Asia and the Far East by Prof. John Butterfield, chairman of the East Midlands Economic Planning Council. In a letter, he said any relief from the effects of cheap imports would help many hard-pressed traditional industries in the East Midlands.

Hallmarking up in Birmingham

THE NUMBER of articles hallmarked at Birmingham Assay Office during July totalled 613,290, of which 363,474 were gold, 249,611 silver and 205 platinum. The total was 23.6 per cent. higher than in July 1974, but was the same as last January.

Gold articles increased by 19.3 per cent. and silver articles by 30.3 per cent.

Pilkington sets up joint glass fibre company

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PILKINGTON Brothers has set up a joint company with Ferro Corporation of Cleveland, Ohio, to exploit Cemfil alkali-resistant glass fibre technology.

Pilkington claims that the use of Cemfil fibres in glass-*reinforced cement enables high*-strength thin-section products to be made from cement.

"This opens up many new opportunities and makes glass-reinforced cement capable of supplanting traditional building materials such as concrete, timber, cast and sheet metal and asbestos cement," the company insists.

Ferro will be a major shareholder in the new company, Cemfil Corporation, and has also been licensed by Pilkington to make Cemfil fibres for the joint concern.

Cemfil will then make and sell its own range of glass-reinforced *cement products. using* the Ferro-made fibres.

Ferro, a manufacturer of chemicals and *materials including* glass fibres for the plastics and ceramics industries, is the second *company to take up a* manufacturing licence for Pilkington alkali resistant glass fibre, *claimed to be the only* commercially - produced glass fibre capable of reinforcing the highly alkaline Portland cement.

Chemical concern fined under work safety Act

BY OUR WOLVERHAMPTON CORRESPONDENT

AT A storage tank depot of a British chemical plant in a densely populated area, 15,000 gallons of highly inflammable methanol escaped through negligence, and 4,000 gallons leaked into drains in the Black Country town of Oldbury where it could have had devastating effects. This was made clear by factory inspector Mr. Russell Williams prosecuting British Industrial Plastics before Oldbury magistrates yesterday.

The company was the first to be proceeded against under a section of the Health and Safety at Work Act, 1974, which deals with the safety at work of employees.

Admitting three offences, including one under the new Act the company was fined a total of £550. This included a fine of £250 for failing to comply with the new Act.

Mr. Williams, in an evident reference to the Flixborough *disaster said:* "*Recent* events in this country have shown how vital and important it is to maintain a safe system." He added: "If this partly cleaned tank had caught fire, the results would have been devastating." *At the* Oldbury tank farm, there were storage tanks capable of holding 93,000 gallons. After maintenance, one of the tanks was given a clearance certificate but two faults had *not been noticed.*

The branch line inside the tank had not been closed down, so that in the refilling, liquid pumped from rail cars escaped. Secondly, a valve in an outer wall designed to contain the liquid had been left open, enabling 15,000 gallons to leak of which 4,000 gallons got away into the drains.

On behalf of the company, which admitted negligence, Mr. Terence Bird said that a Board of inquiry was set up at once *and everything had now been* done to ensure that the same failings could never happen *again.*

The company admitted two offences of contravening regulations concerning highly inflammable liquids and liquefied petrol and gases, and also admitted contravention of Section Two of the Health and Safety at Work Act.

Menswear show to be at Birmingham centre

THE MENSWEAR Association of Britain's 1976 autumn exhibition will be held at the National Exhibition Centre, Birmingham, following an agreement with Industrial and Trade Fairs to form a joint company to promote the show. In future it will be called the Menswear Association of Britain International Fashion Fair (Mabiff).

The exhibition this year is being held in Harrogate from September 21-24, with *more than* 300 manufacturers from 25 countries expected to take part. Selling *at the exhibition will be* allowed this year for the first time.

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LABOUR NEWS

Murray insists on right to demand full £6

BY JOHN ELLIOTT, LABOUR EDITOR

THE CAREFULLY constructed accord between the Government and the TUC ove-the new pay policy showed its first sign of cracking yesterday when Mr. Len Murray, TUC general secretary, condemned the Government's claim that employers need not pay the *full* £6 pay limit.

Speaking only a few hours before the Prime Minister appealed last night to the nation to back the policy, Mr. Murray stressed that unions should "seek" the full £6 from employers. And, he added, "the word seek implies get."

This *clashed sharply* with the newspaper advertisements which launched the Government anti-inflation campaign yesterday and which warned: "The £6 is intended as a maximum—and not an automatic rise for eveyone. Some firms may not be able to afford the £6."

Generally, Mr. Murray thought the advertisments were "coool and *informative. They do not* make people's blood curdle or flesh creep." But on the idea that employers could, with Government backing, offer less than £6, he declared: "I hope employers will not try to go down that road. I hope unions will press for £6 universal, flat."

Mr. Murray and other union leaders such as Mr. Jack Jones of the Transport Workers, and the General and Municipal Workers leadership have been stressing this line, with the implicit suggestion that they would be prepared to back the £6 claims with strikes.

Yesterday Mr. Murray said he thought that few employers would try to settle for less than £6 even though they might offer less at the start of negotiations. He also appeared to suggest without spelling it out that the Government might have to consider subsidising companies so that they could afford the full amount.

But the general tenor of his remarks, coming on the first day of the Government's campaign and at a time when employers in the textile industry and elsewhere are offering less than £6, shows how easy it would be for the Government and the TUC to fall out over implementation of the policy.

Mr. Murry was speaking after the monthly meeting of the TUC general council which decided to go ahead with a monitoring system for pay rises, as agreed by its economic committee last week. During the next few days, unions will receive notification from the TUC about how it *intends to operate the monitoring* system which will cover pay settlements but not claims.

Prices and unemployment are also to be monitored and will be carried out jointly with the Government and the CBI. The National Economic Development Council might also be involved in assessing the implications of the statistics collected.

The TUC yesterday also launched a special issue of its broadsheet "Labour" explaining the policy and stating: "£6 tough but fair enough this year."

Swan Hunter rise hopes dashed

BY JOHN WYLES, LABOUR REPORTER

LEADERS OF 5,000 outfitting and ancillary workers whose six week strike has halted Swan Hunter's Tyne shipyards will be told to-day that the Government's interpretation of its anti-inflation policy rules out any settlement of their demands for interim pay rises.

This means that a mass meeting of the strikers planned for Saturday will be faced with the prospect of returning to work with no extra money or staging a prolonged challenge to the Government's policy.

In breach

At a meeting in London yesterday Department of Employment officials gave Swan Hunter management and national union *officials* their *interpretation of* the £6 policy, and effectively dashed union hopes that negotiations on some sort of interim pay deal were still possible.

The Department's stress on the importance of the rule that there must be a 12-month gap between pay deals left management and unions in no doubt that a settlement of the men's claim for interim rises of £10.30 a week by next January would be in breach of the pay policy. This means that the strikers must wait until their annual payment date next January before they can have more money and their negotiations then will be subject to the *£6 limit.*

Mr. Ken Baker, national officer of the main union involved, the General and Municipal Workers, now faces the difficult task of reminding his union's shop stewards of the GMWU's support for the £6 policy and spelling out the alternatives facing the shipyard workers.

With 3,000 members among the strikers, the GMWU stewards' response to this line could determine the future of the stoppage. But their eventual decision may also be tempered by the fact that none of the other five unions involved is putting the same effort into winning the voluntary support of its Swan Hunter members for the Government's policy. At least two of the unions, the Amalgamated Union of Engineering Workers and the National Union of Sheetmetal Workers, are actively opposed to the £6 limit.

Shah report denied

After yesterday's meeting Mr. Tom McIver, Swan Hunter's chairman, denied reports that the Shah of Iran was so concerned about the company's labour relations that he was opposed to placing a £250m. order with the Tyne yards. "We have nothing but the best relations with the Iranians," he said.

Nevertheless, concern at the deterioration in industrial relations in the yards has led management to agree to a suggestion *from the unions for* some kind of investigation into the general problems.

Councils fear fringe pay claims

By Christian Tyler, Labour Staff

TWO GROUPS of public sector employers are fighting behind the scenes about whether increases in fringe payments, technically allowed under the new wage policy, should in fact be conceded.

Local government chiefs, under *instructions* to keep spending down, are to protest to Ministers about the readiness of the Civil Service Department to give "London weighting" rises to their employees. They believe this is a breach of the spirit, if not the letter, of the new anti-inflation policy.

The sums involved are small—a maximum of £1.60 a week—but the principle is seen as crucial by many of the London boroughs facing demands by a total of 250,000 workers for rises amounting to £18m.

Full cost

They are expected to tell Mr. Anthony Crosland, Secretary for the Environment, that if the Civil Service employers pay up, then the Government must meet the full cost of similar settlements in London boroughs.

Under the normal system about two-thirds of the £18m. would be met by rate support grant, but a third would have to come directly from the ratepayer.

About 1m. public sector workers in the capital stand to profit from any initiative by the Civil Service Department. Another 1m. are thought to be eligible in the private sector—but their payments are in any *case well removed from public* scrutiny.

The Department of Employment has cleared the increases—of up to 20 per cent. on annual allowances ranging to £400 or more—for most of the public sector. But the Department of the Environment has at the same time ceaselessly impressed on local councils the need to keep their spending down.

July 11 deadline affects local steel wage deals

BY CHRISTIAN TYLER, LABOUR STAFF

THOUSANDS OF steelworkers have been told by the British Steel Corporation that local wage agreements not settled before publication of the anti-*inflation White Paper on July 11* will be subject to the £6-a-week pay limit.

According to a steel union leader, this means that for many workers payments of up to £4.50 a week will have to be taken as an "advance" on next year's £6, while other steelworkers escape *the policy net because they struck their local agreements* before July 11.

It is customary in the industry for local agreements to follow bargaining at national level. But because there are no set dates for local bargaining, separate negotiations at different steelworks have fallen either side of the July 11 date.

The corporation's ruling is *being hotly contested by the* Iron and Steel Trades Confederation, the industry's biggest union.

Mr. Bill Sirs, ISTC general secretary, said yesterday that there was an obvious anomaly since South Wales workers who had concluded deals in time would escape, while workers in the North-East, Scotland and elsewhere would be limited.

He argued that any agreement signed before August 1—general starting point of the new policy—should escape the £6 limit.

Corah studies union plea against plant closure

FINANCIAL TIMES REPORTER

CORAH, the Leicester-based knitwear manufacturer and major supplier to Marks and Spencer, is considering a plea from the National Union of Tailor and Garment Workers to delay closing its factory in Aberbargoed, South Wales.

This promise follows a meeting between senior union officials and Mr. John Fry, managing director of Corah, on Tuesday. Workers from the Welsh factory had earlier made a trip to Leicester and carried out peaceful picketing at the main factory.

Mr. Alec Smith, assistant general secretary of the NUTGW, expressed concern over social effects of putting almost 400 people out of work in an area which already has very high unemployment.

"We have asked Corah for breathing space—to delay the implementation of their withdrawal—in order that we can examine the possibility of maintaining employment prospects in the Aberbargoed area," he said.

Mr. Smith says the hosiery workers wanted the factory used for knitwear, but would still be happy to see the premises, which are only rented by Corah, used to provide work for 400 people.

Already the NUTGW is trying to find an employer who could take over the factory and provide jobs for Aberbargoed people rather than see it used as a wholesale discount centre employing only 50 people, as proposed by Corah. Mr. Fry expects to give his answer to the union later this week.

Knitwear plant opens books to union

UNION officials are to inspect the order books of a Courtaulds group knitwear factory which is due to be closed—putting 370 people out of work. The National Union of Hosiery and Knitware Workers will also be able to find out the cash flow situation at the factory—the Morley division of Meridian, at Heanor, Derbyshire.

Birmingham papers: new threat

BY OUR LABOUR REPORTER

JOURNALISTS involved in the bitter six-week pay dispute at the Birmingham Post and Evening Mail claimed yesterday that publication of the two newspapers could be halted in less *than a week because of supporting* action by members of a printing union.

Members of the National Society of Operative Printers, Graphical and Media Personnel have decided to "black" supplies of newsprint delivered across the journalists' picket *lines by non-union drivers.*

A spokesman for the National Union of Journalists chapel (office branch) committee in Birmingham, claimed yesterday that with this embargo newsprint supplies would run out "in less than a week."

This was because local leaders of the Transport and General Workers Union are supporting the journalists, and management has had to rely increasingly on non-union drivers to deliver newsprint.

Apart from a token stoppage by members of the National Graphical Association three weeks ago, the NATSOPA "blacking" is the first concrete support offered to the journalists by the print unions.

While NATSOPA's move has been welcomed by the NUJ chapel, it was pointed out yesterday that the printing unions were *still handling stories* written by non-NUJ members and other senior editorial staff who have been producing the two newspapers since the dispute began.

It remains to be seen whether the NATSOPA "blacking" has any impact on the continuing moves by the Advisory Conciliation and Arbitration Service to encourage both sides to reach a peace formula.

Peace talks are still bogged down on the question of arbitration on the journalists' claim for payment for the six weeks since they were dismissed for taking industrial action in support of a pay claim.

Conciliation talks have been further complicated by the journalists' insistence on clarification on a number of other points, including management's call for 20 voluntary redundancies.

They also want assurances on the future of the Birmingham Post, whose publication has been reduced from six to five days a week during the dispute.

ACAS officials put fresh suggestions to both sides yesterday but no further meeting of the two sides has yet been arranged.

The Marketing Scene

TELEVISION VIEWING

Changing attitudes

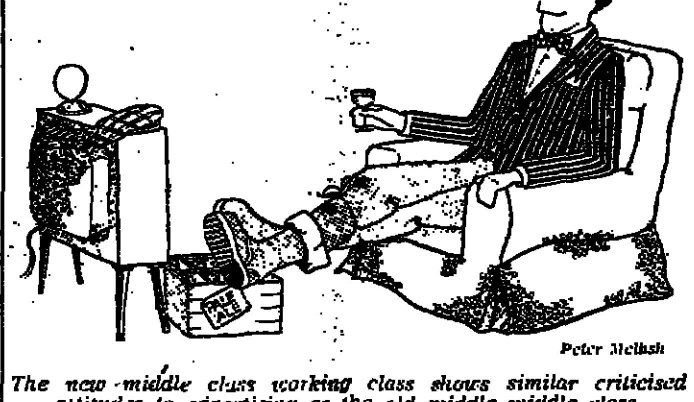
BY ANTHONY PIEPE AND JUDIE LANNON

"WE'RE ALL middle class now," —or are we? Some years ago a study (by Goldthorpe and Lockwood) conducted among affluent manual workers showed that manual workers remained strong Labour Party and trade union supporters. They had a "job" rather than a "career" in an industrial world where they continued to occupy subordinate positions, and worked, on average, 25 per cent. more hours for the same earnings as male clerks. But although the position of manual workers at work was relatively unchanged, the evidence did hint at a shift in their relative status *vis-a-vis* white collar workers due to similarities in home ownership, possession of consumer durables and the emergence of a home and family centred social life.

growing affluence, greater social mobility, and, as a consequence, greater values placed on individuality, advertisers must look for differences within these broad sub groups for their explanations.

"Life style" can be precisely defined using a variety of measures: how people spend their money, whether or not they have a middle class background, the type and intensity of their social life and the way marital roles are described. Of these measures, home centred expenditure (defined as home ownership vs. tenancy, possession of a range of durables and a superior standard of furniture and decor) and middle class background were the most significant in relation to television viewing and consumption patterns.

Both high domestic expenditure and middle class background contributed to a strongly middle class pattern of television viewing. Working class couples with these characteristics tended to prefer BBC to ITV, to claim to watch more programmes with an informational and educational content, to watch for fewer hours and to be more selective.



Peter Mellish

The new middle class working class shows similar criticised attitudes to advertising as the old middle middle class.

These trends raised questions about the television viewing habits and consumer behaviour of this "new" working class. Are they more consumer conscious, how does their pattern of television viewing differ from other manual workers, and could new light be thrown on the nature of social change in Britain through a study of their uses of television?

The results of two surveys by the authors investigating changing social class attitudes, television viewing and consumer behaviour form the substance of a forthcoming book, *"Television and the Working Class"* (appearing end September). Using measures identifying differences in styles of life between groups of manual workers, the findings show that manual couples whose life styles converge most closely with that of middle class couples also have a middle class pattern of television viewing and consumer behaviour.

Compared with the standard tools of consumer research (mainly age, sex and class), "style of life" is a somewhat nebulous concept. However, with

These findings are reinforced by evidence on consumer motivation and behaviour. A common finding in market research is that middle class men and women are consistently more critical of advertising than working class men and women: criticisms that centre on exaggerated claims, half truths and matters of taste. These findings show that working class couples whose life styles are similar to middle class life styles show a similar pattern of criticisms. Another middle class characteristic is the preference (at least claimed, if not always acted on) for "own label" rather than branded goods. And here again, working class couples with middle class life styles conformed to this pattern to a greater extent than the more traditional manual workers.

Certainly one explanation for these changing cultural and motivational patterns among manual workers is job mobility: rehousing in socially mixed communities exposes new models of behaviour largely influenced by the middle class. As working class families move out of traditional areas, social contact with relatives and workmates tends to lessen and the values of that environment exert less of an influence.

Living in socially mixed communities affects the attitudes and behaviour of manual workers in a number of ways. For example, there is a greater tendency to Conservative voting—*a familiar* finding of many studies. There are also differences in attitudes in social relationships between manual home owners and tenants. The latter are more likely to take a traditional attitude towards the role of women—to agree with statements such as "a woman's place is in the home"—and to reflect an insular attitude to politics on a national level and the world outside: for example, the Common Market referendum. Working class home owners are likely to be more gregarious than tenants and, enjoy a wider circle of friends and acquaintances—again *a characteristically* middle class pattern.

Potentially, one of the most interesting areas of research and debate relative to these changing patterns of attitude and behaviour, is the extent to which television itself promotes changes in values and brings new models of behaviour. Clearly, the "effects" of television are selective, and are filtered and modified by the social and personal environments of different groups. The "new" working class groups clearly have an orientation that is national rather than local, cosmopolitan rather than parochial which is reflected *in their* preference for educational content, their selectivity in programme viewing and so on. More traditional working class groups, who prefer ITV and are likely to leave the television set almost permanently on, view television as a domestic medium dealing with a genre which is essentially familiar and local.

These differences, reflecting a wider social and cultural division in society are clearly relevant to communicators dealing with a mass audience. Whether the attempt is to educate, amuse, inform or persuade, planners must be guided by a precise knowledge of the ways in which variations in social environment at the local level, affect the quality and intensity of responses to mass communications.

Television and The Working Class, by Anthony Piepe, Judie Lannon, Miles Emerson. Saxon House, £5.50.

.... notes and

The talking admen

ADVERTISING AND marketing techniques are often slated in discussions on the radio or television through lack of a well informed spokesman on the subject, according to the Adver*tising Association.* So it *has* started a new service which aims to rectify this imbalance called "Speakers on Advertising."

A Broadcast Liaison Group has been drawn up consisting of a panel of speakers from key positions in advertising, media and marketing. They include such *people as Lord Robens, current* president of the ISBA; Eric Morgan, managing director of British American Cosmetics and author of two books on advertising, and Graeme Roe, chairman of Roe Humphreys and lecturer in marketing at Nottingham University. A run down on each is given in the AA brochure and cassettes and video tapes of the speakers in action are available.

The money they spent

GROSS EXPENDITURE on television advertising at rate card costs was 35 per cent. more than a year ago, according to MEAL. Spending in the Press was also up by 14 per cent., and in magazines it was 24 per cent. higher than last year.

During July £40.8m. was spent *on display advertising,* which was 25 per cent. higher compared with the same period last year. MEAL suggests that part of this increase was due to the transmission interruptions in May which are still affecting the rise in expenditure, and also that during the same time last year *spending in the women's* weeklies was low because of industrial disputes.

The main categories to increase spending during July compared with last year were household appliances (up 76 per cent.), publishing (57 per cent.), retail and mail order (49 per cent.), and food (45 per cent.). Only two categories spent significantly less—the government, down 29 per cent., and leisure equipment, down 14 per cent.

The spending Scots

SO YOU thought all Scots people were mean? Well, a survey published yesterday will prove you determinedly wrong, at least for certain categories of goods.

For a start Scots men and women spend substantially more on clothes than men and women in England and Wales and Scots *families spend more on food and* household stores than those in the rest of the U.K. But Scots families tend to be larger.

In detail, Scots men spent £71.80 a year on clothing and footwear, whereas men in England and Wales spent only £63.30; Scots women spent £76.90 which was £7.90 more per head than the average for the women of Wales and England.

Contrary to popular cliche again, the Scots are not great spenders on drink: the expenditure per adult on alcoholic drink in Scotland was £1.20 less than the average of £16.60 per adult in the rest of Britain over a given *three month period.*

These are but a titillation of facts from the survey of Individual and Household Incomes, Expenditure and Readership in Scotland, published (naturally) by the Media Department of the Daily Record and Sunday Mail in Glasgow. The survey concentrates on total income from all persons in a household (after tax, etc.) and so gives a very different picture of Scottish prosperity than if it had concentrated on the income of the head of household alone.

Although the average income per household in Scotland is some £4 a week lower than the average for England and Wales (which is £45 a week) nearly a fifth of all households have a total income of £59 a week or more. But in the Clydeside conurbation the average income per household dropped £1.70 below the general Scottish average of £39.80.

Details of readership patterns, shopping patterns and holiday purchase are also included in the survey.

Household Income and Expenditure in Scotland, £15, Media Department, Scottish Daily Record and Sunday Mail, Anderston Quay, Glasgow.

The travelling future

TRENDS IN U.K. travel from 1960 to 2000—only 25 years on—are the subject of a new study by Madge Dugdale who used to be with Compton Advertising. The book—called *"Can current trends continue? I. Britain's Travel"*—contains linear projections of various published statistics and throughout the figures for 1975 and after are found by continuing current trends unchanged; thus, for example, by the end of the century it could be that over 93 per cent. of travel would be by private road vehicles.

At present we are travelling over 280bn. passenger miles a year compared with 166bn. in 1960; if current trends continue the mileage would hit 535bn. By 2000 this could be divided into .5 per cent. by air, 2.2 per cent. *by rail, and 3.7 per cent.* by public road transport with the rest in private road vehicles. The push-bike could disappear by 1981 and the motor-cycle by 1988. Some 6.5m. foreign visitors to-day might rise to 17m. by 2000 when only 12 per cent. would be on business and the rest on holiday.

It should be emphasised that the study, which costs £15 and is published by Trend Publications, 139 High Street, Lewes, Sussex, is not a forecast on travel but it does point out that some trends do continue.

... news

● THE Independent Television Companies' total net advertisement revenue for July 1975 was *£12,662,243.* This compares with a total of £11,221,052 for July last year. Both totals represents monies received after deduction of all commissions and discounts.

The July revenue for the 13 independent local radio stations was £561,837, which brings the total radio revenue for the year to date to £3,886,729.

● A NEW campaign for Corrida wines is being launched in the London and Southern TV areas and will run until the end of September. Point of sale material and Trade Press advertising will support the TV campaign.

● HARRISON COWLEY Advertising, Bristol, has been appointed to handle the £25,000 Bateman Catering account. Bateman Catering is the industrial catering division of the Grand Metropolitan Group.

● JACK HEATH, a sales promotion consultancy, has merged with Interact Promotion, the Leo Burnett associate agency.

● FRIARY PUBLICATIONS, a Warwickshire agency, has been appointed to handle the 1975-76 campaign for CO-RAD Dravo Industrial Heating.

● FOOTE, CONE AND BELDING has agreed to purchase an interest in one of the largest *South African agencies, Lindsay* Smithers. The new agency will be known as Lindsay Smithers/FCB.

● MIKE FOX, a joint creative director of Dorland for the past five years, is joining Vernons as creative director on October 1.

● CONTRACT ADVERTISING, *the JWT affiliate, is to handle* the £100,000 Champion Sparking Plug account in the U.K. JWT handles the account worldwide.

● DAVID MACAULAY Advertising is joining forces with Haddons WPT as from October 1. The agencies will operate under the Haddons name with David Macaulay joining the Board.

The fun in fragrances

BY DOINA THOMAS

IN THE spring of 1973 the U.S. Revlon company launched a new fragrance for to-day's busier woman. It was christened Charlie and was an instant success. By the end of last year it was notching up $30m. in sales in the U.S. and had been supported by a new cosmetic range. *In Britain it has outstripped* Intimate in sales terms and according to the company demand is still outstripping sales.

It is characteristic of the fashion dominated cosmetics and toiletries market that certain sectors should show great signs of activity while the others just creep on. Although the market as a whole is still reacting favourably to the price changes as a result of VAT all those years ago, the fragrances sector is developing particularly fast. Yardley, one of the leading fragrance houses in the country, estimates that the market will by the end of this year have grown 73 per cent. in real terms since 1970.

Teenage

So it is not surprising that some of the giants on the outside of the cosmetics world should be interested in putting a toe in. One of the reasons for the recent purchase of the Goya fragrance house by ICI's subsidiary Avlex, which markets the Savlon range of toiletries for babies, is the possibility of even further growth in this expanding sector. It comprises not only toilet waters but also bath additives, scented talcs, deodorants and so on.

And, of course, Michael Pitt-Bailey of Avlex was once marketing director of Yardley which, together with Avon, seems to have done most over the past years to stimulate the fragrance market. Goya's main *claim to fame is still principally* its Aqua Manda range, though it does also have a men's range of toiletries and supporting brands for women such as Aqua Citra and Parsley Flower. Goya does, other fragrance marketers admit, have a peculiar hold on its particular teenage market which starts these days at 13.

Unilever too is interested in this active sector of the £272m. (manufacturers' prices) cosmetics and toiletries market. Its Elida-Gibbs subsidiary, marketer of the Sunsi k range of shampoos among other things, has just brought the Stowaway range of three aerosol packed fragrances on to the national market after extensive testing in the Midlands. And even ICI's plastics division has just helped launch a completely new cosmetics company with a touch of franglais. The House of L'Avant will shortly be putting its three fragrances, Midnight Follie, Danse Macabre and Scarlet, packed in special ICI plastic aerosols, into national distribution.

Fragrance products have only been a boom sector since the 1970s began. The sales peak for these products in the past five years was apparently reached in 1972-73 according to Yardley which, with its Khadine, Sea Jade, Shanida and Flair, is a persistent number two to the ubiquitous Avon in this market. Avon has some 28 per cent. of this sector though its brand share has slipped a few percentage points over recent years. Yardley has about 10 per cent. but these shares change slightly according to product type (figures from the IPC toiletries and cosmetics survey).

In straight perfumes Estee Lauder claims dominance and Revlon, with 1,500 outlets, is in the top four with Intimate and Charlie.

New ways

It was a Yardley innovation, the mini spray, born some six years ago, that livened up the fragrance market which had been made receptive to new ideas largely by the work of Avon in its door-to-door selling operations — perfumes were always an important part of the Avon product mix. These mini sprays usually contain a half or one fluid ounce of toilet water or cologne (the latter contains more perfume concentrate than the former) and retail for between 70p and £3 according to the brand. They are light to carry and use and have been found to appeal particularly to the 16-24 age group. It is the sprays that are mostly respon*sible for the growth in perfume* sales, up £6m. to £28m. manufacturers' prices in 1974 alone. Revlon estimates the 1975 market will be worth £57m.-plus at manufacturers' prices.

The marketing ploy that the cosmetic houses now seem to be using in the sale of perfumes is to present fragrances to appeal to women for a certain mood rather than as the ultimate expression of their personality. Thus the Elida-Gibbs range of Stowaway fragrances are intended to appeal to the escapist in the younger woman, the names—Sleepy Lagoon, Orient Express, and Dawn Flight—*reinforce the appeal.* By contrast, 30 per cent. of the American buyers of Charlie are professional women.

It is of the younger women that the fragrance marketers have most hope for future growth in their market (women cease to be young at 35 in market research terms) and this is where Goya still has quite a name. It would seem that they are taking a more casual attitude to perfume altogether, using it more frequently and experimenting with new varieties and new ways (bath oils and foams) more often rather than just sticking to the fragrance received as a coming-of-age present.

The fragrance houses think they may be on the verge of stepping into their dream, the time when women will possess a wardrobe of perfumes, some for daytime wear, some for evenings, many of which they will have bought for themselves. At present two-fifths of women using perfumes in any form have received them as gifts.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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THURSDAY, AUGUST 21, 1975

Recession is biting

THE DEPARTMENT of Employment's latest statistics about basic wage rates and earnings confirm what already seemed likely, that the slackening of business activity is now having a marked effect on the level of real disposable incomes and on personal consumption spending. So far as basic wage rates for manual workers are concerned, the index rose considerably less in July than in the two preceding months, with the result that the year-on-year percentage increase in basic wage rates, both weekly and hourly, is the smallest since last February—though still above 30 per cent.

But these figures tend to fluctuate erratically from month to month according to the number and size of wage settlements which take place and are, moreover, liable to subsequent revision when pay settlements are back-dated. They apply only to manual workers and do not bear any fixed relationship to the amount which manual workers actually earn from time to time. The index of average earnings, though published a month later than the index of basic wage rates, has a wider coverage, is seasonally adjusted, and gives a far better reflection of the way in which personal incomes before tax are moving. The latest figure, for June, shows a slightly faster increase on the month than for several months past—but it is the year-on-year comparison which is most striking.

Purchasing power

The year-on-year rise in earnings has been lagging well behind the increase in basic wage rates, largely because of a drop in overtime working and an increase in short-time working. The year-on-year comparison for June, however, shows a sharp drop in the increase to 25.4 per cent. This is largely a result of the fact that at this time in 1974, with threshold agreements coming into full operation, earnings were rising particularly fast: for the same reason, the year-on-year increase in earnings may well continue to decelerate for another couple of months. The points to notice are first, that this deceleration is largely due to the Government's general economic measures and the state of world demand: the £6 ceiling on wage settlements came into force only at the beginning of August and will probably not have a major influence on the earnings figures for another few months.

Second, the latest year-on-year rise in earnings is slightly less—25.4 against 26.1 per cent.—than the rise in the retail prices index over the same period. Even in gross terms, therefore, the rise in earnings is at last being overtaken by the rise in prices: the drop in real disposable income, for which official estimates are not yet available, must be considerably greater. This trend suggests strongly that the failure of retail sales to pick up in July is not a statistical quirk but marks the beginning of a new trend after the post-Budget boom in sales of durable goods and the reaction which immediately followed it. Not only is unemployment rising but the real purchasing power of those in work is already lower. The recession is beginning to bite.

Public spending

To-day's figures will almost certainly show a further large rise in unemployment. This will cause hardship, it may well provoke calls from the left for reflation of domestic demand even before the Government's belated action on pay has begun to operate. But the point of this action, as Mr. Wilson made clear yesterday evening, is to reduce inflationary expectations and so help to bring our national rate of inflation down to a more tolerable level with a smaller increase in unemployment than would otherwise have been necessary. For many people, as he also made clear real living standards are bound to fall for a time, as wages are held back while price rises already in the pipeline work their way through; this, too, is part of the inevitable process of readjustment. But if inflation is to be brought under control—and Mr. Wilson made it plain that he does not expect to achieve this in a single year—a third, essential element of policy is a genuine, long-term reduction in the level of public expenditure. Unless the Government is ready to cut public expenditure as private sector demand eventually begins to rise again, inflation will be back again with us more quickly than ever.

The Communists can be losers

IT IS MORE than a month now since the Socialist Parties walked out of the Portuguese Government. They left because they believed there could be no guarantee of democracy under the present system, despite the fact that the two parties between them had won more than 60 per cent. of the vote in the elections to the Constituent Assembly in April. In so far as their move was tactical, designed to draw attention to the way things were going, it has succeeded beyond expectations. The situation in Portugal to-day is quite different from that of a month ago: the Communists are under open and persistent attack, especially in the north of the country, and the Armed Forces' Movement (AFM) is publicly divided.

Transition

The change reflects what was always suspected: namely that the bulk of the Portuguese people do not want to succumb to a left-wing dictatorship—hence their vote, and the high turnout, in the April election; and that the majority of the military could not conceivably be hard line Marxists. The situation, however, is still transitional. There has been a swing away from the left and some disintegration of the military leadership, but nothing very much has arisen in its place. Even the pro-Communist General Goncalves, the principal butt of the Socialists' criticism, is still just hanging on as Prime Minister.

Much of the most interesting comment on what is going on indeed is coming not from Portugal itself, but from abroad. Ever since the Helsinki conference last month the Americans and the Russians have been warning each other against intervention in Portuguese affairs. In part, this may be no more than an attempt to use the Helsinki documents, whose phrases about non-intervention are ambiguous, to their own advantage, but it probably also reflects a changing appreciation of events on the ground. Until a few weeks ago, the U.S. Administration had all but written off Portugal as a member of the western alliance. It has now clearly swung to the European Community view that the outcome is still far from resolved. The Russians, by contrast, with their accusations of western intervention and comparisons with what happened in Allende's Chile, may simply be preparing themselves for a Communist setback which they now regard as unavoidable.

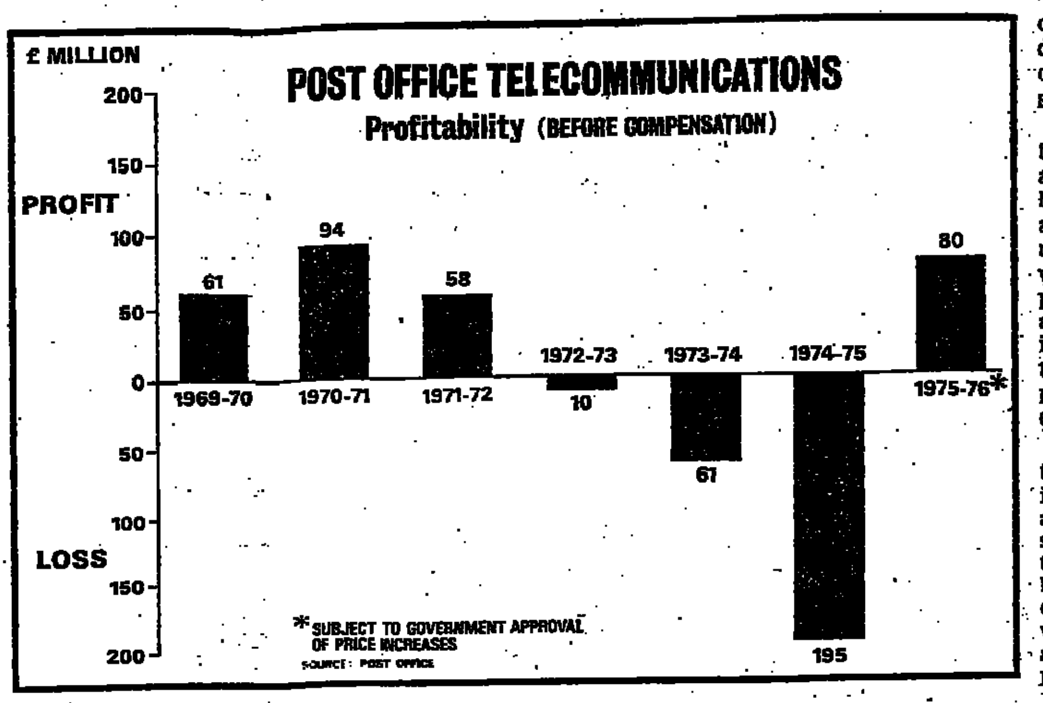
At the very least, the Soviet leadership must have mixed feelings about the turn of events, if only because of the effects on the major West European Communist Parties and their standing in their own countries. In France the already serious split between Socialists and Communists has widened further on the Portuguese issue. In Italy, where the Communists are seeking the "historic compromise" of a share in government, the activities of the Portuguese Communists are proving such an embarrassment that the Italian Party is dissociating itself further from Moscow and from the Party in France. From the Soviet point of view, it might be more convenient simply to admit the setback in Portugal and seize the alibi of blaming it on western intervention.

The trouble is that events in Portugal have not yet moved this far. There is no sign of General Goncalves either producing an effective government or voluntarily resigning, or indeed of anyone else producing an effective government in his place. The tactics of the Socialists and the moderate armed forces' leaders seem to be to let the situation ride until the extent of the opposition to dictatorship becomes so overwhelming that the would-be dictators give up the struggle. Phase one, which consisted of bringing the opposition into the open, has worked. Phase two could still be anarchy.

Getting the telephone system off the financial bleep

By HAROLD BOLTER, Industrial Editor

THE Price Commission has now accepted that the Post Office should be allowed to increase its charges this autumn by an effective £284m. in the current financial year, with £230m. of this burden falling on subscribers to the telecommunications service. The Commission made its decision despite an unusually strident protest from Lord Peddie's Post Office Users' National Council (POUNC). Although the Government could still decide to lessen the impact of the P.O.'s proposals in its efforts to contain the cost-of-living, the probability is that the increases will be introduced virtually unchanged. The only possible consolation to be found in the situation is that a further price rise now may just enable the P.O. to make telecommunications viable again after the financial difficulties of the last three years.



Unlike the postal side of its business, which has lost money consistently since 1968, the telecommunications service stayed in surplus until the end of the 1971-72 financial year, when it turned in a profit of £58m. But that year, according to Sir William Ryland, the Post Office's heavily - criticised chairman, marked a significant turning point in its fortunes.

Until then telecommunications had been achieving the target set for it of an 8½ per cent. return on net assets by successive Governments, and there was even talk of using some of its profits to subsidise postal losses. The business looked healthy enough for the Government of the day to suggest that the P.O. should move to a 10 per cent. return, which would have enabled it to cover at least half, and perhaps even 60 per cent. of the cost of its extensive investment programme from its own resources.

Distortions still felt

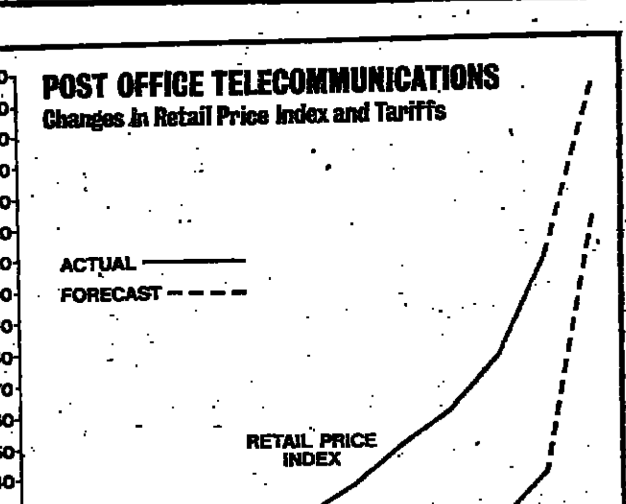
By the second half of 1971, Sir William (then still Mr. Ryland and new-to-the-job-of chairman) found himself caught up in the strait-jacket imposed "voluntarily" on the nationalised industries as part of the Confederation of British Industry's price restraint initiative. The acceptance of the CBI policy cost the Post Office something like £100m. in lost revenue, but more than that it led to distortions which are still being felt within the P.O. These distortions were obviously intensified by the statutory price controls which followed the CBI's voluntary, and abortive, attempt to control inflation.

At its simplest it can be shown that during the four years from the 1971-72 financial year to 1974-75 the Post Office's telecommunications business obtained a total of £239.2m. in additional income as a result of price changes. During the same period, however, the business's additional expenditure on wages — which were not restrained effectively—and in the cost of buying capital equipment went up by £554.3m. The result was an adverse balance of £315.1m. between these two items.

This, in itself, was bad enough, but the Post Office also suffered because the artificially low prices forced on the telecommunications service by the Government had the effect of stimulating demand. As a result the waiting list for telephones rose sharply and the Government, harangued by would-be subscribers, put pressure on the P.O. to step up its investment programme. Three years ago, for example, the demand for new connections was running at nearly 1.6m. a year, compared with 1.2m. this year. The protests of Sir William and Sir Edward Fennessy, Deputy Chairman and Managing Director, Telecommunications, that the lead-in time for new plant was between three and five years was to no avail. The Post Office was told to spend, with the result that it now has more equipment than it really needs. And that equipment has been paid for dearly.

Borrowed capital

As it was losing money by then, the telecommunications business was forced to borrow the capital it needed to meet the Government's demand for new telephone lines. But it was only allowed to do so through the National Loans Fund and then, because of the Treasury dictum that its borrowings must be related to the average life of its assets, only at long-term rates which have risen from around 11 per cent. five years ago to 18 per cent. It is only recently that the P.O. has been permitted to hold a proportion of medium-term borrowings, at lower interest rates. The present external borrowing level of the telecommunications service stands at £530m., compared with £192m. at the end of 1971-72 while its capital charges (net of pay and price changes) have risen from £34.5m. to £73.8m. in the same period.



It is easy to show, therefore, that successive counter-inflationary policies have played a major part in turning Britain's telecommunications service into a loss-maker. Nevertheless, this still leaves the question of what the Post Office was doing to help itself at a time when outside forces were playing havoc with its accounts and removing many of the conditions essential to financial discipline.

The answer, according to Sir William, is that it was doing much more than it is generally given credit for. In the last six years the size of the telecommunications system has increased by about 60 per cent., while the size of the staff has gone up by only 10 per cent. The Post Office estimates that this is equivalent to a saving of 40,000 jobs. It is also forecasting that a similar performance will be achieved up to the mid-1980s as more new equipment is introduced.

Nevertheless, this still leaves the Post Office's telecommunications business with a labour force of over 230,000. Labour continues to account for about 37 per cent. of total current costs, a high figure for an industry which is based squarely on technology, unlike the postal side of the P.O. operation.

Sir William is hopeful that this point has been taken at last and the talks now under way between the Post Office management and the unions with members in telecommunications will lead to significant manpower savings. The P.O. has already stopped recruiting and in the current discussions the two sides are also studying the possibility of introducing an early retirement scheme.

One of the advantages which the Post Office Board has in trying to persuade the unions to accept change is that it can show very clearly that although the telecommunications service has many problems it is still essentially a growth industry with a future which is far more secure than, say, the P.O.'s postal and parcels operations.

Slowing down

Although there has been some slowing down in the rate at which the P.O. has been ordering new equipment, an inevitable consequence of excessive expenditure earlier, it still invested £788m. during 1974-75 and, at March 1975 prices it will be spending around £900m. during the current financial year.

In real terms the telecommunications investment programme has remained fairly stable, even though the equipment suppliers undoubtedly have problems. The reason for this is that the manufacturers geared their output levels to match the levels of demand which were being predicted three or more years ago. As a result their output is significantly higher, perhaps by 15 per cent., than the rate at which the P.O. is putting in new orders, and this has led to unemployment in the telecommunications equipment industry.

Nevertheless, although the size of the telephone system is still growing, with this year's 1.2m. new connections taking the total number of telephones in Britain to around 21.8m., there is clear evidence of resistance to recent price increases. Five years ago the Post Office could anticipate an annual increase of anything from 12 to 14 per cent. in the number of calls made on the system but now the rate of increase is about 4 per cent., despite new installations.

The new round of increases under consideration by the Government are expected to reduce the growth rate for calls even further, perhaps to only 2 per cent., if they are approved in full. It is easy to see why. Although it is estimated that the proposed increases will add an average 28 per cent. to private telephone bills and 40 per cent. to business bills, the averages conceal much higher rises where the Post Office is obviously intent on steering telephone traffic in new directions.

Broadly, it is asking for permission to raise its cheapest 1.8p tariff for dialled calls to 3p, allowing subscribers the same amount of time for calls as at present. But where callers go through the operator they will have to pay 12p for three minutes during standard periods if the P.O. has its way, compared with 3.6p for three minutes now. This theme of encouraging people to dial calls wherever possible runs right through the proposed new tariff scales and there is also a suggestion that charges for telegrams should more than double.

All this has been too much for POUNC which told the Price Commission that it did not believe that the new price of a telephone call should exceed 2.2p, as part of a package of suggestions aimed at reducing the Post Office's potential for increased revenue during the present financial year from £300m. to £100m.

Unpalatable proposals

The problem with this argument by POUNC, although it obviously gained a lot of popular support, was that if it had been accepted by the Commission and the Government the P.O. would end 1975-76 with a deficit well in excess of the £70m. loss for which the Government says that it is prepared to compensate the Post Office. And, as far as the telecommunications business in particular was concerned, the £230m. of tariff increases now being sought would yield a profit on turnover within the 2 per cent. permitted by the Price Code.

The Price Commission had little choice but to approve the Post Office's proposals, therefore, unpalatable as they were. Apart from swingeing increases in telephone and other telecommunications charges, the first-class postal rate will almost certainly go up to 8½p (a rise of 21 per cent.) and the second class rate to 6½p (up 18 per cent.), with a 30 per cent. rise in parcel post tariffs. The Government may still decide to hold an inquiry into the Post Office's affairs, however, acceding to Conservative and POUNC demands. Only then, perhaps, will it be possible to apportion blame for the sorry state of the P.O.'s affairs between the Government and the P.O. management.

MEN AND MATTERS

Fodens' three families

With the resignation of 74-year-old James Foden, the Foden voice in the Cheshire-based company's Boardroom has been reduced by a third. At the same time the departure of Edwin Twemlow, 68, has clipped back the Twemlow voting power by 50 per cent. And as the City-inspired rescue operation for the lorry company gets under way, with the appointment of three new directors from outside (including a non-executive chairman), the "family" figures in the Boardroom will be almost outnumbered.

But not quite. Fodens is quite unusual among family companies in that it has more than one family at the helm, having had three for a long time. To-day, two of the directors carry the Foden name, William, 45, chief executive and former joint managing director, and David, 39, and William's cousin. David Foden is a joint managing director along with Patrick Twemlow, 36. But making up the family picture—and giving the extra vote to balance the new appointees—is John Stubbs, 43 and non-executive, but a son of the last chairman.

What is unusual is that representatives of the three families have been running the company through an extraordinary power-sharing "triumvirate" of managing directors for the last three generations.

Over the years this has worked remarkably well, says Bill Foden. "There has not been a major dispute in the Boardroom since the 1920s", he insists. It was then, of course, that the celebrated split took place which led to the establishment of ERF (E. R. Foden was the one who left) just up the road from Fodens' factory at Sandbach.

Some three years ago, there was another significant upheaval ("not a row") when the present "triumvirate"—Bill and David Foden, and Patrick Twemlow—came to the fore. They had been bred in Boardroom ways by another extraordinary Foden system—an arrangement which gives some directors Boardroom status, but no voting power.

The new men took their initiative because they felt the company was too conservative and not expanding fast enough to face up to the threat of imports. Expansion, of course, brought finance problems, Government intervention, and now the City rescue effort. The old triumvirate, Bill Foden reflects ruefully, "would not have done the expansion as we did it. Now we are getting blamed for getting caught, but a lot of other companies were caught at well."

Nothing but The Truth

Rupert Murdoch seems to have lost none of his zest for the hurly burly of the Australian newspaper scene in spite of controlling the Sun and the News of the World in the U.K., not to mention his ambitious project in the United States to get a nationwide weekly tabloid—the National Star—off the ground.

Murdoch is currently out in Australia revamping a Melbourne based paper called The Truth in order to take advantage of strike action in the printing and kindred trades which is severely restricting publication of the main Melbourne papers—the Sun, the Age, and the evening paper the Herald. The Truth, disparagingly described by competitors as a twice weekly scandal sheet is now appearing as the Daily Truth with morning and afternoon editions and a content geared more to a whole family readership than its predecessor.

The rival proprietors, with the Melbourne Herald Group to the fore, have quite enough on their hands without what they must consider to be this sort of ungentlemanly competition since the strike-action is being fought by both sides with uncompromising fervour. Journalists are working normally and other production functions are being performed by management in order to get even a restricted run onto the streets. A Herald-Sun delivery truck driven by the group chief accountant accompanied by the finance manager was actually shot at—shattering both side windows but fortunately missing both occupants. To even up the balance a picket attempting to stop another lorry was carried some half a mile at some speed before he could get off.

Carving on

Perhaps this is a measure of the extent of London's restaurant recession. One of the famous names, the Caprice, off Piccadilly, has been sold for around a modest £30,000 to a company backed principally by a local authority construction contractor, and has reopened after seven months as a "carving room."

The Caprice was originally owned by Epicure Holdings (part of Sir Denys Lowson's interests) and was identified for many a year with Mario Gallati, president of Epicure until his death earlier this year. The smallest of Epicure's three London restaurants, the Caprice suffered particularly from what the group reckoned was a 20 per cent. fall in meals served at the classy end of the catering market. The Caprice's decline was blamed for Epicure's £45,202 loss in the last six months of 1974, and it shut at the beginning of this year.

The new boss is Robert Bartella, Greek-born and until March a joint managing director of Queens Moat Houses, originally Queens Modern Hotels and in the orbit of John Nash, the ubiquitous Midlands accountant, until two years ago. Bartella, now 36, started as general manager of a "quiet road house" in deepest Essex, selling out to Queens for shares (he still has 250,000). It was there that he developed the carvery idea.

This he has taken to the Caprice, aiming at an "average spend" per customer of £4.50 against the £12 more likely in earlier days. After leaving Queens, he sought out old friends at Thomas Bates, a private construction company, which is partnering him in a company called Heritage Inns. That sounds a familiar name, but is in fact brand new. "When we went to register it, we couldn't believe it ourselves," says Bartella. "Of course restaurants are going through a lean time. I'm going for a market gap. There is no point the customer feeling he's left his wallet behind when he leaves."

Passing on

Death and capitalism do not mix, the new Government of Mozambique has decided. It has banned private funeral parlours and the private manufacture of coffins and urns. A Department of Funerals will be set up and all workers formerly in the private sector will become civil servants.

A decree published yesterday described it as "immoral" that death should be a means of enrichment, warning that anyone continuing on a profit-making basis faced six months' imprisonment.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

When you are better off unemployed

CONSIDERABLE interest has been aroused by my report in the Financial Times on August 7 that people can be financially better off unemployed than at work over a wide range of incomes. Some people have wondered how this can be reconciled with the finding that a large proportion of the unemployed are known to be below the official poverty line; others have wondered why the disposable income for employed people given in the representative cases appeared so low; and still others have jumped to the conclusion that it does not pay to work at all. It therefore seems worth devoting a column to explaining how the figures are reached, and what they mean.

The story starts with the introduction of earnings-related unemployment benefit in 1966. This had the effect of raising benefit quite dramatically as a proportion of net earnings (after tax and national insurance contributions, but including family allowances). In the case of a couple with two children, the increase was from around 40 per cent. in the 1950s to over 70 per cent. in the 1970s.

Higher

The reduction in the income loss during transitional unemployment is one of the reasons, although not the only reason, why the average number of unemployed is now higher than it used to be both in boom and slump. Too many investigations in too many countries have reported a similar effect for denials of the relationship to carry much conviction. It is, in my view, a good thing to cushion the effects of joblessness and to give people time to search for the most suitable work, but the price of doing this is higher unemployment figures, even when the present slump is over, than we were used to before.

Other forms of income support, including Supplementary Benefit, have also improved over the last couple of decades, although gradually and by smaller amounts. Another financial cushion is tax rebate, which is now much more important because of the increased involvement of wage earners with the PAYE scheme. As a result of these rebates, many unemployed can receive for periods of up to half a year at least as much as when in work.

This is the point I reached in my researches when my new booklet, *Second Thoughts on Full Employment Policy*, went to Press. Meanwhile, that indefatigable researcher into these matters, Mr. Ralph Howell, M.P., obtained a Written Parliamentary Answer on June 10, 1975 (Hansard, Col. 156) which showed that with normal earnings up to £60 a week a family man could be better off unemployed.

Mr. Brian O'Malley, a Minister at the Department of Health and Social Security, did, however, say in his answer that the assumptions behind the questions were "not representative." Yet when these unrepresentative assumptions were removed, it still appeared that a man with two children earning £55 a week could be better off out of work: and this was the basis of my report of August 7.

The DHSS has subsequently been good enough to supply me with a detailed table, reproduced here, for the case of a a married man with two young children. The Department has done its best to remove obvious distortions: but the table does not represent an official view of the most likely situation—some of the reasons will be discussed below.

DISPOSABLE INCOME OF TYPICAL RECIPIENT OF EARNINGS-RELATED UNEMPLOYMENT BENEFIT

MAN, WIFE AND TWO CHILDREN UNDER 5; benefit levels of November 1975

Normal earnings	Family allow.	Nat. In. cont.	Work exps.	Tax	Unemployment benefit	Family Income supp.	Rent	Rent rebate	Rates	Rate rebate	Free school Milk	Free welfare Milk	Total income support
a) Employed													
£30	1.50	1.65	.75	1.72	—	1.80	6.00	4.94	2.00	1.63	.75	.49	28.99
£35	1.50	1.92	.75	3.47	—	—	6.00	4.14	2.00	1.37	—	.49	28.36
£45	1.50	2.47	.75	6.97	—	—	6.00	2.27	2.00	.73	—	—	31.31
£55	1.50	3.02	.75	10.47	—	—	6.00	.57	2.00	.13	—	—	34.96
£65	1.50	3.61	.75	14.18	—	—	6.00	—	2.00	—	—	—	39.96
b) Unemployed with tax rebate													
£30	1.50	—	—	−8.8	23.50	1.80	6.00	4.36	2.00	1.44	.75	.49	34.64
£35	1.50	—	—	−8.8	23.50	—	6.00	4.81	2.00	1.59	—	—	32.20
£45	1.50	—	—	−8.8	26.96	—	6.00	3.95	2.00	1.31	—	—	34.52
£55	1.50	—	—	−8.8	31.48	—	6.00	3.07	2.00	1.01	—	—	37.86
£65	1.50	—	—	−8.8	32.54	—	6.00	2.89	2.00	.95	—	—	38.68
c) Unemployed without tax rebate													
£30	1.50	—	—	—	23.50	1.80	6.00	6.00	2.00	2.00	.75	.49	28.04
£35	1.50	—	—	—	23.50	—	6.00	6.00	2.00	2.00	.75	.49	26.24
£45	1.50	—	—	—	26.96	—	6.00	6.00	2.00	2.00	—	—	28.46
£55	1.50	—	—	—	31.48	—	6.00	5.02	2.00	1.65	—	—	31.65
£65	1.50	—	—	—	32.54	—	6.00	4.75	2.00	1.57	—	—	32.36

Source: DHSS

The benefit levels assumed are the latest known—November 1975 for unemployment benefit and free milk, post-April 1975 for rent and rate rebates, and free school meals. It is assumed that means-tested benefits are all claimed and are adjusted straight away to changed income (with the exception of the Family Incomes Supplement). The earnings-related element in unemployment benefit is based on earnings in the fiscal year prior to the calendar year of the claim, that is 1973-4. An earnings index, lagged by 21 months, has therefore been chosen. This *is the main variation in Mr.* Howell's assumptions.

The reason why deductions from earnings are much higher than the tax tables suggest is *that the DHSS operates with a* concept entitled "total income support," which it also sometimes calls "net income." This consists of earnings plus family allowances, from which is deducted not only tax and national insurance, but also working expenses (assumed to average 75p) and rent and rates which are taken at £6 and £2 respectively. Clearly some wage earners will pay more and others less than this; but to do such calculations at all a figure has to be chosen in the middle of the likely range.

It is clearly the tax rebate *which takes unemployed family* men into a superior position to those at work in the income ranges shown. Without the rebate, it still pays to work, but *only just until £65 a week is* reached. At £55, total "income support" for a man out of work is 90 per cent. of what he can receive when employed. None of the calculations takes account of redundancy payments, which consist of widely varying lump sum amounts.

How then can these calculations be reconciled with social surveys suggesting considerable hardship and anxiety among the unemployed? Investigations by the DHSS show that 63 per cent. of those unemployed for three months or more were (at the end of 1972) "hard pressed," which means that their available *income was within 120 per cent.* of the Supplementary Benefits levels. This compares with 2 per cent. for all families in the country. Some 20 per cent. were *actually below the Supplementary* Benefits level.

Failure to take up some of the benefits shown in the table can obviously depress the living standards of the unemployed. But this alone would not be sufficient to explain the contrast. The big difference is between the condition of the short-term unemployed, eligible for earnings-related benefit, and the rest.

The longer-term unemployed, out of work for over 13 weeks, amounted this week to 397,000 or 43 per cent. of the total. The proportion has been gradually falling, as one would expect *when the general level of unemployment* is increasing.

Of the unemployed receiving financial assistance, only 61 per cent. received unemployment benefit on the latest count—the rest depended on Supplementary Benefit. People can be ineligible for unemployment benefit either because they have been unemployed for more than 12 months or because their contribution record is not sufficient—which is often due to past unemployment.

Even of those drawing unemployment benefit, only two-fifths received an earnings-related element. But on this aspect the figures date back to November 1974: and as more people with good work and earnings record come on to the register, the proportion is likely to rise. Not only is earnings-related benefit not paid for more than six months: it is not paid for the first two weeks out of a job, or for six weeks for someone who left voluntarily or was sacked for a misdemeanour: and of course people who were unemployed for a considerable part of 1973-4 will not have sufficiently large annual earnings to benefit from the scheme.

It is thus possible to place the unemployed along a spectrum. At one extreme are those with good earnings records, who have not been out of a job long, who claim all or most of what they can, and may have a cash flow as good as, or better than when they were working. But they may well have anxieties about the future. At the other extreme are a substantial group of the really hard up: these are mostly long-term unemployed, but many also consist of those who have not been able to hold down a job, or who are too proud to claim. In between, are many people who are certainly suffering from unemployment.

Thus many people are likely to be more choosey about the kind of work they will accept and take longer to look around for a job, while much real poverty exists and is likely to grow with the unemployment figures. The effect of more generous transitional benefits in prolonging unemployment is likely to be at its weakest during a sharp cyclical downturn such as the present when job anxieties are severe. It will be much more important when unemployment stops rising and when recovery comes. It is then that policy makers will need to be most critical of the unemployment headlines.

Complaints

There still remains the question of whether it should be possible for people whose normal earnings are well up to the average to be better off out of a job than in one. The tax rebate is simply a return of past payments. The real cause for complaint is that social security payments are not taxable, which is a penalty on work over a whole financial year (and also an additional support to *strikers*).

The other big influence pushing up the net income of the unemployed to a higher level than one would expect from the benefit figures is rent and rate rebates. The anomaly arises from paying the rebates on pre-tax incomes for those at work, which puts them in a worse position relative to those on benefit. But until the dozens of separate benefits in cash and kind are consolidated into a single cash credit, with a known and considered marginal rate of withdrawal, we will continue to get complaints of unheeded poverty side by side with *complaints about exploitation of* the Welfare State, and both will be true.

Letters to the Editor

Yardstick for companies

From Mr. Stanley Harding.

Sir,—I entirely agree with the reservations expressed in your leading article (August 20) about "The Corporate Report." It needs to be emphasised, as touched on by Sir Ronald Leach in his foreword, that the document is a discussion paper commissioned by the Accounting Standards Steering Committee but not necessarily representing their views and that in no sense does it represent recommendations by the accounting profession.

Most businessmen agree with the need for greater and clearer *disclosure of information to* employees whose livelihood to a great extent depends upon the performance of their company. The report, however, stresses the social and ethical responsibilities of Boards to such an extent as to underplay the importance of free enterprise and profit motivation. Unless a business remains profitable it will have no funds for investment and will therefore cease to have a social, ethical or any other part to play.

It would also be out of the question for Boards of Directors to be bound to disclose their forward plans and financial forecasts for all and sundry, including the competition, to study. Most of the mass of additional *information proposed by the* report would no doubt need to be audited which would add greatly to costs.

The report should prove to be a useful discussion document but its recommendations are so widespread that they are bound to be considerably watered down as they are debated—it might be a mistake to take hasty action in setting new standards. We now need to hear more on this subject from successful top business managers for whom profit and cash generation will remain the vital yardsticks upon which everything else must depend.

Stanley R. Harding,
Stavordale Lodge,
Melbury Road, W.14.

Defence cuts

From Cdr. H. Mulleneux.

Sir,—I just cannot understand the mentality of a Government which is prepared to spend taxpayer's money in support of "pop festivals" and yet cut down expenditure on our armed forces —in the face of a very formidable threat from within and without—to well below the danger level.

Hugh Mulleneux.
Commander R.N.
Holbeam Wood,
Wallcrouch, Wadhurst, Sussex.

Turtles and conservation

From Mr. G. Rothery.

Sir,—Your newspaper (Men and Matters, August 19) and others have commented on the position of Mariculture, which *is now in receivership. It is* true, as these articles have mentioned, that conservation has been one of the problems which have faced the company. This issue however, is not in a position of deadlock and speaking for one of the largest shareholders in Mariculture, I should like to emphasise that the relevant *conservation authority*—the Marine Turtle Specialist Group of the International Union for Conservation of Nature and Natural Resources—has shown itself anxious to be of assistance to Mariculture, and to agree with the company certain guidelines under which the company can rear turtles in a manner which would not offend the principles of conservation.

To this end, the receiver of Mariculture has invited representatives of the Marine Turtle Specialist Group to a meeting which will be held in London later this month, and the response from the group has been immediate and positive. The future of turtle farming, and therefore of Mariculture, cannot be assessed properly until the result of that meeting is known.

G. W. Rothery.
Commonwealth Development Finance Company,
Colechurch House,
London Bridge Walk, S.E.1.

Bottled waters

From Mr. N. Young.

Sir,—We read with interest Kenneth Gooding's article on bottled waters August 6. Although bottled waters have been traditionally sold through the licensed trade, this pattern has changed in the last three years, since the introduction of Volvic (by Sofinac, not Inver House) as the first brand in the U.K. to be packaged in the convenient 1½ litre PVC bottle, aimed primarily at the grocery trade. Our statistics have shown that sales of bottled water through the grocery sector are a great deal faster than through the licensed sector of a store: It is not possible, therefore, to gauge the growth of the market by reference only to hotels and restaurants.

The market increased by 29 per cent. last year and in the first six months of 1975 imports are already up by 66 per cent. in c.i.f. value terms—rather better than your estimated 5 per cent.

Sofinac was formed in 1972 after three years of research of the Continental and British bottled water markets, as a result of which we took the agency of Volvic which is now the leading imported brand of still water in the U.K.

N. W. H. Young,
Director, Sofinac.
16b West Central Street, W.C.1.

Bibliography on the Chunnel

From Mr. D. Hunt.

Sir,—I confess to a certain sympathy for Mr. Cornish (*"Bibliography on the Chunnel,"* August 13) in the relentless pursuit of his long-held misconceptions of the Channel Tunnel—devoid as they are of any substance in fact, it must be a continuously frustrating experience to sustain his beliefs.

This recent exchange gives rise to some amusement, for in his anxiety to *lend substance* to his quite unfounded statement that the Channel Tunnel was to have been built from public funds, he completely reverses his opinion of the Cairncross Report. He now claims, with apparent pride, that it ". . . joins the succession of independent reports which identify this defunct project as commercially non-viable."

It is difficult to imagine how anyone could possibly describe the report in these terms. Furthermore, I know of no independent report published by a responsible body—let alone a succession—which arrives at this fallacious conclusion. Undaunted *however, by the fact that the* report does not endorse his views, Mr. Cornish superimposes his own interpretation. "It (the report) makes it quite clear that it (the Channel Tunnel) was, and would always have remained dependent upon massive Government support. . . ."

Whatever he may wishfully think the report said, the facts are as follows: In accord with the financial formula accepted by the British and French Governments and the two private companies, the cost of the Channel Tunnel—excluding the new high speed rail track from London to the coast—would not have been a charge on the taxpayer. On the contrary it was confidently forecast that the taxpayer, via the Exchequer, stood *to benefit substantially. The project* would have been profitable from the first year of operation —1980—and the two governments would have shared annually the surplus profits: amounting to hundreds of millions of pounds in the 1990s.

It will be recalled that Mr. Cornish strongly criticised the Report for the omission of a bibliography and called upon the Minister to publish an addendum in the somewhat obscure belief that this would prevent the project being reintroduced in the future. He concluded by asking what I had to fear from his "innocuous" comment on the omission—such a question is unworthy of reply, but Mr. *Cornish is obviously more than* a little disturbed.

D. F. Hunt.
2, Old Burlington Street, W.1.

Exchange rates

From Mr. W. Grey.

Sir,—While Mr. D. A. Trigwell (August 18) was quite right to insist, against advocates of floating and of fixed (but adjustable) exchange rates alike, that "the solution to our present problems lies in the application, *by government*, of financial prudence in the conduct of our affairs" (his italics), he finally despaired of such a policy ever being adopted. If so, there would, of course, be no choice and hence no room for argument whatever!

But is such pessimism really justified? After all, some (equally democratic) Governments—despite (or because of) whichever system of exchange rates being operated at the time —have managed to conduct their affairs a lot more prudently than others, suggesting that the latter too could do better if they tried. The real question therefore is not whether it is possible, in Mr. Trigwell's own words, to "cause profligacy to be replaced by discipline" at all, but whether the desired effect is more likely to be achieved under *one system of exchange rates or* another. On the evidence of the last four years—culminating in the oil price explosion—alone, surely the answer can be in no doubt.

W. Grey.
12, Arden Road, Finchley, N.3.

Let's all pull down the Strand

From G. Colthorpe.

Sir,—Passing down The Strand the other day it seemed to me that the moment had arrived when the Government should demolish the facade of Somerset House. It seriously interferes with the ugliness of the new buildings on that side of the road.

G. E. Colthorpe.
Hudscott, Chittlehampton.
Umberleigh, North Devon.

Unprotected landlords

From Mr. I. Kirkpatrick.

Sir,—Since writing to you last year, most of my fears regarding the shortage of furnished flats have been realised. The "Flats to Let" columns are sadly depleted by comparison with the days before the Rent Act (1974), as a consequence of the least-known and longest-lasting current strike: the strike of private landlords, unwilling to re-let vacant flats.

How can any of us non-resident landlords dare to re-let, under the "law," which virtually outlaws us? The Rent Act 1974 removes every shred of legal protection from us.

While this Act was still being debated, I managed to lobby one of the instigators of the Bill. This politician merely harangued me for 10 minutes on the evils of letters to the press, and listened to not a word! He alleged "substantial safeguards for landlords," added at the Committee stage, of which I knew nothing. Not surprising, as none exist!

A cruel jest, to prate of a compassionate and fairer society, when prospective tenants are denied all hope of a rented flat. As to those supposedly "protected" by the Act: how many are made prisoners, by the fact that they cannot move on regularly, as they once did?

While only 31 per cent. of accommodation is Council-rented against 48 per cent. privately rented, it is both callous and stupid to aim to "destroy the scourge of private landlordism." Many disappointed prospective tenants must, by now, agree with me that what we need is a prompt end to the activities of policitians, who place vote-getting before reality, and politics before people. Perhaps if sacked young enough, some of them might even be redeployed into useful trades!

I. M. Kirkpatrick.
75, Tankerville Road, S.W.16.

Shotton works

From Mr. W. Chadwick.

Sir,—With reference to Harold Bolter's very interesting, article (August 18) regarding the dilemma facing Lord Beswick as to the consequences of keeping Shotton steel works going or closing them down, I feel that other factors than those put forward should also be taken into consideration.

If the works were to be closed down completely, then, apart from the obvious hardship caused to the loyal labour force employed, the effects would be felt "down the line" by both British Rail and the Mersey Docks and Harbour Company—neither of which are in any state to have their income reduced—the former by losing the business of transporting iron ore from Birkenhead to Shotton and the latter by losing the business brought to it by the ore-carriers. Quite apart from the loss of business sustained by these concerns—one of which is a nationalised industry—a loss of jobs would almost inevitably follow.

Another factor is the effect of a closure on the Shotton/Queensferry area of North Wales, where a loss of earnings by the steel workers would be reflected in the drop in sales of all kinds of goods in the area, which would rapidly gain the title of being "depressed."

I feel, therefore, that, although the immediate problem would appear to be one concerning British Steel Corporation, it cannot be looked at in isolation and that any savings in one of the country's pockets are merely being made at the expense of other pockets, not least that of Social Security.

W. J. Chadwick.
17, Thornton Avenue,
Bebbington,
Wirral,
Merseyside.

To-day's Events

GENERAL

Mr. William Whitelaw, Deputy Leader of Opposition, replies to *Prime Minister's television broadcast* launching Government's anti-inflation publicity campaign.

United Ulster Unionists and Social Democratic and Labour Party representatives end three-day private talks prior to deferred meeting of Ulster Convention in September.

Dr. Henry Kissinger, U.S. Secretary of State, continues negotiations in Jerusalem for interim peace agreement between Egypt and Israel in Sinai peninsula.

Verdict expected in trial of Greek military junta, Athens.

Mr. Eric Deakins, Parliamentary Under Secretary of State for Trade, continues official tour of *Australasia for trade and* economic talks.

Representatives of art dealers' associations meet to discuss decision by Sotheby's and Christie's to introduce buyers' premium of 10 per cent. on all art sales, London.

OFFICIAL STATISTICS

Provisional unemployment figures and unfilled vacancies (August).

Car and commercial vehicle production (July—final).

Consumers' expenditure (second quarter—second preliminary estimate).

COMPANY RESULTS

London Brick (half year).

Rentokil Group (half year).

United Dominions Trust (full year).

COMPANY MEETINGS

Allied Retailers, Birmingham, 10.30.

Carclo Engineering, Bradford, 3.

Cocksedge, Ipswich, 12.

Leisure Caravan Parks, Hemel Hempstead, 11.

Macdonald Martin Distilleries, Edinburgh, 12.

Plessey, Millbank Tower, S.W., 11.45.

Scottish and Newcastle Breweries, Edinburgh, 12.

United Gas Industries, Winchester House, E.C., 12.

Wood (S. W.) Group, Winchester House, E.C., 12.

Zinc Alloy Rust-Proofing, Wolverhampton, 11.30.

MUSIC

Henry Wood Promenade Concerts: BBC Symphony Orchestra (conductor Colin Davis) with Peter Pears (tenor) and Alan Civil (horn) perform Schubert's symphony No. 5 in B flat major, Britten's serenade for horn, tenor and strings, and Sibelius' symphony No. 1 in E minor, Royal Albert Hall, London, 7.30 p.m

COMPANY NEWS + COMMENT

F. J. Wallis sales and profit growth

IN LINE with the director's expectations, first half pre-tax profit of F. J. Wallis increased from £0.91m. to £1.24m. Turnover expanded from £19.67m. to £30.17m.

Turnover is progressing at a "very satisfactory level" and the outlook for the second half year is up to expectations, says the chairman Mr. D. R. Glynn. Profit for the year to December 28, 1974, was £1.79m. on a turnover of £43.75m.

The interim dividend is lifted from 0.95p to 1.045p net. Last year's total was 1.95p.

Net profit for the half year came out at £596,160 (£437,720) after tax of £645,840 (£473,280).

The directors intend to pursue the policy of being selective in the choice of sites for new supermarkets even though it could mean a possible slowing down of the expansion rate.

Current costs of acquiring and developing sites have risen to such an extent that it is now imprudent to open new supermarkets just to achieve turnover growth at the possible expense of profitability, says Mr. Glynn. The policy will be to open new supermarkets when in the directors' opinion the right opportunities occur, and to concentrate more on existing units to bring those not showing the required standards into line with expectations.

The company is in a position to take advantage of any possible acquisitions that may arise.

During the first half year four supermarkets were opened plus one non-food unit and two further large supermarkets will be opened in the second half.

● comment

In the six months to June, selling space at Wallis increased by 8 per cent., but against the comparable period the figure is more like 33 per cent., boosted by acquisitions and openings in the latter part of 1974. Couple this with inflation, and the real increase from existing stores is more like 8 per cent. Margins have improved to 4.12 per cent. from 3.65 per cent. in the previous six months, aided in part by the moves into non-food retailing. The expansion plans are slowing down, as operating well within margin restrictions there is little point in chasing turnover for its own sake without a reasonable profit return. Even so, sales this year should top £60m. on current indications, which on a maintained interim margin points to profits of about £2.4m.; it is possible, too, that returns may be improved to nearer 4½ per cent. by the end of the year for a full-year turn-out of over £2½m.—a more than adequate recovery from 1973's £2m. At 69p a prospective p/e of 9½ could put the group in line for an upward price movement, yet the maximum prospective yield is only 4.7 per cent., a shade below average.

Statement, Page 17

INDEX TO COMPANY HIGHLIGHTS

Illingworth Morris expansion

Illingworth, Morris and Co. announces that a re-equipment programme costing £600,000 has been approved for its subsidiary, Huddersfield Fine Worsteds.

Production facilities for the fine worsted branches of Broadhead and Graves, Josiah France, Learoyd Brothers and Co., and Martin Sons and Co. are to be centralised into Trafalgar Mills, Huddersfield, and Kirkheaton Mills, near Huddersfield.

The four branches will retain their independence and individuality in designing and marketing and the re-organisation of production will enable them to maintain and improve their competitive position in the markets of the world.

Exports account for almost 80 per cent. of the total output and it is anticipated that a labour force of approximately 1,000 will be required.

Illingworth also announces the formation of a branch of the parent company to be known as The Illingworth Morris Trading Company. The branch has been formed for the purpose of maximising the use of group products and resources through the development and improvement of marketing techniques.

FODENS

Fodens, the commercial vehicle group which at one time looked like going under Government control, returned to the Stock Exchange to-day after a £3m. capital injection.

The shares got a quotation of 11p at the start and closed at 12p compared with 13p when they were suspended in January because of cash problems. The company's need for cash was met by an issue of convertible Preference shares organised by its bankers last month as an alternative to Government help which would have meant the State taking a big shareholding.

Tom Martin Metals downturn

FIRST HALF 1975 turnover of Tom Martin Metals Group decreased from £11.19m. to £8.37m., and pre-tax profit fell from £1.37m. to £0.95m.

In spite of difficult trading conditions, the chairman, Mr. A. Hubert, feels certain that the results for 1975 will be "most satisfactory," and it is intended to increase the total dividends by the maximum permitted.

The interim dividend is raised from 0.6975p to 0.76725p net per 10p share. Last year's total was 2.1199818p.

	Six months 1975 £	1974 £
Turnover	8,366,763	11,193,105
Profit	985,938	1,408,417
Loan stock interest	32,134	34,977
Profit before tax	953,804	1,373,440
Taxation	495,978	714,168
Net profit	457,826	659,272
Dividends*	118,236	105,330

* Directors owning 1,905,108 shares have decided to waive their dividends.

The merchanting divisions traded very profitably. Tonnages processed were well maintained—turnover declined due to reduced commodity prices.

The aluminium manufacturing divisions suffered from the downturn in industrial demand during the second quarter, and this resulted in reduction of profitability. It is anticipated that as and when the economic situation improves, their profitability will increase rapidly.

Exports in all divisions increased substantially and the liquid position has been substantially strengthened since December 31, 1974, with cash at bank now in excess of £1.5m.

Suitable projects which will fit in with existing operations are being continuously investigated.

● comment

Tom Martin's pre-tax profits have fallen by 30 per cent., due mainly to a particularly bad second quarter in volume-sensitive aluminium manufacture, some 40 per cent. of the business, when orders from the motor and steel industries were on hardly more than a week-to-week basis. Poor U.K. non-ferrous scrap demand has been matched by rising exports on the merchanting side, which also helps cash flow through cash invoicing. On the more important supply side, new business has again offset the effects of lower activity among the group's usual suppliers. Aluminium orders now stretch to October, and restocking and a weakening pound could maintain tonnages on the merchanting division. If margins hold, as they have in the past 12 months, then a better second half is not out of the question. At any rate a maximum permissible increase in the dividend, to give a yield of 8½ per cent. at 41½p, is already covered.

Statement, Page 24

LINFOOD LOAN REPAYMENT

Linfood Holdings proposes to repay the 7½ per cent. unsecured loan stock 1987/92 of Associated Food Holdings, at £36 per cent.

£673,736 at Wilson Bros.

AFTER REACHING £411,798 in the first half—including £225,000 in respect of a claim after a fire—taxable profits of greeting card manufacturers, Wilson Bros., finished the year to March 31, 1975 at £673,736 compared with a loss of £43,391 for 1973/4.

The final dividend is 0.5p net—there was no interim. Last year there was an interim of 0.48595p but no final.

	1974-75 £	1973-74 £
Profit before tax	673,736	*43,391
Tax	416,245	131,960
Net profit	257,491	*175,351
Minority interests	—	43,878
Extraordinary debits	17,123	—
Attributable	240,368	*131,473
Dividends	57,596	33,979
Retained	182,772	*157,432

* Loss.

● comment

A strong recovery by the greetings cards division, which increased its trading contribution from £360,000 to £918,000, was a major feature of Wilson Bros.' impressive 1974-75 performance. The group's efforts to run down its property holdings (these stood at £1.78m. in the last balance-sheet) enabled it to hold last year's net property losses to around £158,000 and this has also led to a substantial reduction in bank borrowings from the £3.14m. at the end of 1973-74. Wilson has also started to receive the first benefits from the repayment of its holding in Moorgate Mercantile and given that there is still a considerable amount outstanding, there should be more to come from here in the current year. However, with the greetings cards side now operating under the shadow of the recent postage increases the cautious attitude of the market—the shares at 14p are 6p below par value, where they yield 5.6 per cent.—is understandable.

Edinburgh & Dundee Investment

Pre-tax revenue of The Edinburgh and Dundee Investment Co. decreased from £1.24m. to £1.2m. in the six months to July 31, 1975. The figure for the year to January 31, 1975, was £2.42m.

Present indications are that earnings for the year will be less than last year's 3.13p but will exceed the dividend of 2.7p net paid last year. An interim of 1.12p (same) is declared.

	Six months 1975 £	1974 £
Franked income*	702,009	733,698
Unfranked	692,451	938,103
Management expenses	62,930	61,441
Interest*	130,104	398,571
Revenue before tax	1,201,426	1,243,789
Taxation	503,678	501,371
Net revenue	697,748	742,418
Interim dividend	498,378	498,378

* Main reason for fall is repayment of bank loan of credit last December.

Net assets at market value were £64.98m. (£53.34m. at January 31) and asset value per Ordinary unit, after deducting prior charges at par, was 133p (107.5p), including full dollar premium of 27½p (25p). Dollar premium is based on current exchange rates 53½ (64¾) per cent.

New Norwich Union policy

By Eric Short

The Norwich Union Insurance Group has extended its Forward Plan, whereby investors can increase the amount of their life cover without evidence of health to second death whole-life contracts. This will be of particular benefit to people making provision for capital transfer tax.

For a small extra charge, policyholders under the plan will be able to increase their cover by up to 50 per cent. every three years, over a 15-year period or until the older life reaches age 60, whichever is earlier.

Thus investors will be able to adjust their CTT policies to allow for future increases in the annual exemption limits thereby matching their life cover with the rise in value of their assets.

£0.43m. by Gresham Investment

GROUP PROFIT, before tax, of Gresham Investment Trust, decreased from £1,030,000 to £426,000 in the year to March 31, 1975, after interest of £849,000, against £1,144,000.

When reporting first half profit down from £454,000 to £106,000, the directors said it was likely the second half would exceed that of the first by "a worthwhile margin."

Stated earnings per 25p share decreased from 4.1p to 2p. A final dividend of 0.95016p raises the net total from 1.40666p to 1.49427p.

Conservative provision has been made for bad and doubtful debts, both known and anticipated.

The directors are confident for the future. Although it is difficult to forecast in the present economic climate they look for an increase in trading income in the current period.

Tax legislation on capital transfers and wealth should increase opportunities in the field of investment in private companies, they add.

	1974-75 £'000	1973-74 £'000
Group profit	1,275	2,194
Interest payable	849	1,144
Profit before tax	426	1,050
Taxation*	104	397
Net profit	322	653
Dividends	240	226
Retained	82	427
Capital profits	4	135
Taxation	1	41
Retained cap. res.	3	94

*Charge is low and is effect of relatively large amount of franked investment income received.

The book cost of the group's property interests amounted to £1.08m. (£2.5m.). During the year, properties with a book value of £0.62m. were realised at a small profit after taking into account interest charges. The balance of the reduction arises from the disposal at a capital profit, of the controlling interest in Common Lane, Investments. The directors' valuation of properties at end March was £1.18m.

● comment

As expected, Gresham has shown some improvement on the dismal first-half performance, but the outcome for the year is still some 60 per cent. lower pre-tax. Provisions have been made for bad debts on the property side while activity in corporate finance hit rock bottom and losses were incurred by the dealing subsidiary. Investment income, however, has held up well, despite the dividend cut at Marshall Cavendish, along with a reasonable showing from the banking activities. For the current year the recovery prospects are hardly exciting but with no further provisions expected to be made there should be some forward movement. That gives some hope for the shares at 20p where the yield is 12 per cent.

R. R. Stockfis looks to second half

First half pre-tax profit of sheet metal workers and steel fabricators, Robert R. Stockfis (Manchester) decreased from £185,608 to £120,404 in the half year to February 28, 1975. But the directors state there will be a significant improvement for the second half as compared with the first six months. The figure for the year to August 31, 1974, was £400,799.

The directors have concentrated on reducing costs and improving margins where possible, they explain.

	Six months 1975 £	1974 £
Turnover	1,418,120	1,513,615
Pre-tax profit	120,404	185,608
Taxation	60,895	88,304
Extraordinary credit	35,541	—

Ferro Metal setback

On an increased turnover of £8.68m., against £5.62m., pre-tax profit of Ferro Metal and Chemical Corporation contracted from £338,683 to £167,659 in the half year to March 31, 1975. Profit for the year to September 30, 1974 was £859,186.

Stated earnings for the half year decreased from 9p to 3.84p per 20p share. As before, the interim dividend is 1.5p net—last year's total was 3.663p. Last December the company became a subsidiary of Greg-Gary International Corporation.

Net profit for the six months was £69,165 (£162,479), after all charges including tax of £98,494 (£176,204).

Bear Brand deficit

Fine gauge hosiery manufacturers Bear Brand incurred an attributable loss of £101,530 in 1974 compared with £100,750 in 1973. Turnover advanced from £1.59m. to £1.83m.

The loss per 25p share is given as 3.8p against 3.9p and again there is no dividend. The last payment was 5 per cent. gross for 1966.

STOCK EXCHANGE INCREASES FEES

The Stock Exchange is to increase the charge that it levies on member firms from 0.6 per cent. of gross revenue to 1.5 per cent. from January 1.

The move follows the Exchange's estimate that without an increase in its charges it faces a deficit of about £1.9m. on the year March, 1975, to March, 1976. A major cost to the Exchange at the moment is the development of Talisman, the new computerised settlement system, which is eventually expected to save both the Exchange, and the members, money.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied Insulators ....int.	0.44	Oct. 7	0.4	—	1.1
Allied Plant ....int.	0.55	Oct. 6	0.18	—(a)	0.73
Associated Sprayers ...int.	Nil	—	1.1	—	2.57
P. J. Carroll & Co.	6(b)	Oct. 22	5.03*	8.75	7.5*
Richard Clay ....int.	1	Oct. 1	0.6	—	2.36
Cornell Dresses ....int.	0.3	Oct. 1	0.3	—	1.12
Crouch Group	1.6	Oct. 9	1.64	2.44	2.51
Dixons Photographic	0.59	Oct. 10	0.54	0.96	0.9
Dreamland ....int.	0.7	Oct. 10	0.65	—	1.9
Edinburgh & Dundee Invest ....int.	1.12	Oct. 6	1.12	—	2.7
E. Elliott	2.75	—	2.75	2.75	2.75
English & Scottish Inv. int.	1	—	1	—	3.25
Ferro Metal & Chemical int.	1.5	—	1.3	—	3.69
A. & J. Gelfer	1.27	—	1.41	2.6	2.44
Gresham Invest Trust ...	0.95	Oct. 1	0.9	1.49	1.41
Tom Martin Metals ...int.	0.77	Oct. 15	0.7	—	2.12
Pye Holdings ....int.	1.23	Jan. 3	1.23	—	3.68
R. R. Stockfis ....int.	2.0	Oct. 3	1.5	—	5.84
Tube Investments ....int.	8	Oct. 19	7.2	—	15.98
W. & E. Turner ....int.	0.43	Oct. 1	0.4	—	1.33
F. J. Wallis ....int.	1.05	Oct. 10	0.95	—	1.95
Wilson Bros.	0.5	Nov. 3	—	0.5	0.49
Woolworth ....int.	1.23	Oct. 10	1.23	—	3.93

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Final not less than 0.375p is forecast on capital to be doubled by scrip issue. (b) Gross throughout.

Brasway record £0.86m.

TURNOVER UP from £11.17m. to £15.86m. and an expansion in pre-tax profit from £0.52m. to a record £0.86m. are reported by Brasway for the year to May 3, 1975, after £0.54m. (£0.22m.) for the first half.

The record result was accomplished in a period of worsening economic and trading conditions, the directors state. In the second half profits were not as high as had been hoped.

Economic conditions are currently such that no meaningful forecast can be given for the future, but the group is more than holding its own against competition and is helped in this by capital expenditure incurred in the past few years which "markedly improves efficiency."

The past year was again a record year for capital expenditure with a result that there will be a negligible amount of tax on the year's profits, the directors add.

Maximum permitted dividends of 1.995p net—in cash or shares—have already been paid, and it is intended to pay to maximum allowed this year. The business is that of iron and steel scrap processors and steel stockholders.

	1975 £	1974 £
Home sales	15,460,055	9,947,793
Export	403,035	1,226,336
Total turnover	15,863,090	11,174,129
Profit before tax	855,576	515,398
Taxation*	417,000	140,194
Net profit	438,576	375,204
Tax credits	23,000	†24,429
Dividends	40,201	16,732
Retained	375,375	382,906

* £415,500 (£133,694) transferred to deferred tax. † Debits.

Richard Clay first half upsurge

A first half 1975 pre-tax profit rise from £183,008 to £600,811 is announced by Richard Clay and Co., book printers and bookbinders. For all 1974 profit totalled £795,190, a record.

In the present economic conditions the directors say it is impossible to make a realistic forecast for the second half but they intend to recommend the maximum permissible final dividend.

The interim is up from 0.6p to 1p net. Payment in 1974 amounted to 2.359p. Stated earnings for the half year are up from 1.43p to 4.27p per 25p share.

Tax takes £293,000 (£78,500), leaving £307,811, compared with £104,508. Turnover was up from £2.15m. to £3.29m.

The improved level of trading in the latter part of 1974 was maintained in the first half of 1975 which, the directors add, compares very favourably with the exceptionally depressed results in the first half of 1974.

Outlook at Lee Cooper

In his annual statement, the chairman of Lee Cooper Group, Mr. H. C. Cooper says that the Board does not envisage a similar repetition in the current year of such large losses for the U.K. company and although losses for the first six months' trading will be substantial an improvement is anticipated during the second half, when it is hoped, dividends will be fully restored and be more consistent with actual profits. Turnover is again expected to show a worthwhile increase.

As reported on July 19, taxable profits rose from £638,144 to £755,451 in the year to March 31, 1975. The profit was entirely attributable to European operations. Mainly due to the disposal of excess stocks U.K. companies increased their loss from £40,574 to £392,177. The dividend total is cut from 5.025p to 1.625p net.

Mr. Cooper intends to retire as full time chairman in the not too distant future. The Board has indicated its intention of appointing Mr. Pierre Pouillot chairman in due course. As a first step, the chairman has resigned as managing director and Mr. Pouillot has been appointed deputy chairman and managing director.

ISSUE NEWS

LAW LAND 28.6% ACCEPTED

Law Land's rights issue to raise £3.737m. on the basis of one-for-four at 48p per shares was accepted as to 28.6 per cent. of the issue. The balance has been taken up by the underwriters.

Profit rise at P. J. Carroll

CIGARETTE and tobacco manufacturers, P. J. Carroll and Company, based in Dublin, reports external sales up from £67.29m. to £77.58m. for the year to June 30, 1975, and an advance in taxable profits from £3.36m. to £3.73m., after a first half rise from £1.65m. to £1.99m.

The directors say that a full appreciation of the results is possible only if account is taken of inflation. They have therefore adopted a form of presentation which shows group profit after provision for the replacement of assets utilised during the year and group profit on a conventional basis. The full accounts will contain a balance sheet drawn in current value.

	1974-75 £000	1973-74 £000
External group sales	77,576	67,285
Domestic	69,787	58,343
Export	7,789	8,942
Net profit*	2,612	2,798
Add back:		
Addl. depreciation	175	—
Adj cost replcg. stks.	943	558
Profit before tax	3,730	3,356
Taxation†	1,467	1,611
Net profit	2,263	1,745
Minority interest	64	40
Attributable	2,199	1,705
Pref. dividend	16	16
Ordinary dividends	964	816
Retained	1,219	873

* After interest and provision for replacement of assets utilised during year. † Full credit taken in respect of stock relief amounting to £340,000 arising under provisions of Finance Act. 1975.

Earnings are shown to be up from 10.6p to 13.6p per 25p share and the dividend is effectively raised from 30 to 35 per cent. gross with a final of 24 per cent.

Sales of cigarettes in the domestic market again set new records both in quantity and value, members are told.

Although pharmaceutical product sales showed a considerable increase, profit performance was disappointing, being some 18 per cent. down. This downturn is attributable to the impact of rising costs on margins, particularly in the first nine months of the year when stringent price controls prevented the recovery of increased costs in selling prices.

The print and packaging subsidiary Dakota had "another very satisfactory year" in terms both of sales and profits.

Reconstruction at Kulim

In line with the policy of the Malaysian Government for increased local participation in foreign companies operating in Malaysia, a reconstruction of the Kulim Group is planned which would involve shareholders and loan stock holders exchanging their securities for those in a new, Malaysian incorporated company, Kulim (Malaysia) Berhad.

The proposed reconstruction would be carried out by mans of a scheme of arrangement under Section 206 of the Companies Act, 1948. Announcing the proposals yesterday, it was stated that U.K. shareholders would suffer increased tax on dividends from the new company but that, because of the lower overall incidence of corporation tax in Malaysia, it would be possible for Kulim (Malaysia) to pay higher dividends out of the same level of pre-tax profits.

Upon the scheme becoming eeffctive, Kulim and its wholly owned subsidiary, Ulu Tiram Manufacturing Company, would change their residence for tax and exchange control purposes to Malaysia. It is expected that meetings to approve the proposals will be held on October 6.

Meanwhile, Kulim, subject to the scheme becoming effective, has agreed to sell its U.K. subsidiary, Chapman Lowry and Puttick to a private concern, Tropical and Eastern Produce Company, for £200,000 after CLP has first paid a dividend of £100,000 to Kulim.

The Kulim Board, advised by Baring Brothers, consider the proposals to be in shareholders and stockholders best interests.

Second half jump at Dixons Photo

SECOND half pre-tax profits of Dixons Photographic are more than doubled from £1.12m. to £2.37m., lifting the total from £3.78m. to £4.32m. for the year to April 26, 1975.

The directors report that current year trading shows a significant increase in the overseas division. In the U.K. the year has started well as a result of "substantial" sales prior to the increase in the rate of VAT.

Primarily to continue and intensify the programme of investment in Europe, the directors propose to raise about £773,000 by way of a rights issue of 1.39m. new ordinary shares of 10p each and 1.65m. new "A" ordinary shares of 10p each at 27p per share, in the proportion of one new ordinary or one new "A" ordinary for every eight ordinary or "A" ordinary held on August 8.

Stated earnings per 10p share for the 1974/5 period are up from 7.6p to 9.1p. Final dividend is 0.5897p net which raises the total from 0.9025p to 0.9572p. Having obtained the approval of the Treasury the directors intend to declare dividends of 1.95p net for the current year to May 1, 1976.

	1974-75 £000	1973-74 £000
Sales (excluding VAT)	60,115	46,706
Retail (UK)	37,187	29,017
Processing	1,822	1,635
Overseas	21,106	16,054
Profit before tax	4,315	3,783
Retail (UK)	2,734	2,698
Processing	226	250
Overseas	1,355	805
U.K. tax	1,880	†1,876
Overseas	298	128
Net profit	2,137	1,779
Goodwill	400	400
Dividends	227	212
Retained	1,510	1,167

† Includes an additional £198,000 for deferred tax arising from change in rate of corporation tax in 1973. Previously charged against reserves.

The directors say that the decision to raise further permanent capital followed confirmation of the U.K.'s future within the EEC, and was in view of the very encouraging growth of the overseas division. It will broaden the company's asset base, thus facilitating any overseas borrowings which may be required to finance both the expansion of the existing business and possible acquisitions.

A letter to shareholders and renounceable provisional allotment letters will be despatched to-morrow. The issue price for the new shares is payable in full on acceptance not later than September 12 (3 pm). It is expected that dealings (nil paid) will commence on August 26.

The rights issue has been underwritten by Samuel Montagu and Co. and the brokers to the issue are Cazenove and Co.

See Lex

Dreamland sees satisfactory outcome

After charging non-recurring items of £66,000 Dreamland Electrical Appliances incurred a trading loss of £1,300 for the first half of 1975. This compares with a pre-tax profit of £108,700 in the previous comparable period but the directors point out that the results are no guide to the year's results.

They say that the 1974 level of sales will be maintained in the current year and as a result of economies of centralisation, the profit will be "satisfactory." Profit in 1974 was £0.57m.

The non-recurring items relate to redundancies and removal costs from the closures of the Crawley factory and Thatcham warehouse in March. The activities previously conducted at Crawley and Thatcham are now fully established at the main factory site at Hythe, Southampton.

The interim dividend is up from 0.65p to 0.7p net, absorbing £37,537 (£34,856). Last year's total was 1.9p.

Sales for the half-year were affected as a result of concentration by the trade on the sale of larger domestic appliances in April, to take advantage of the delay in the imposition of the higher VAT rate on those items. Electric blanket sales which would normally have been made in May and June are now taking place in August, which hitherto has been a traditionally low sales month and there are continuing indications that the effect of the new VAT rate will not be harmful to the overall results for the year, say the directors.

Crouch turns in £0.41m.

Turnover for the year to March 31, 1975, of Crouch Group decreased from £7.91m. to £7.06m. and pre-tax profit fell from £486,000 to £412,000, after exceptional debits of £110,000 (£468,000) and interest of £430,000 (£329,000).

Stated earnings per 25p share decreased from 3.75p to 3.76p. A final dividend of 1.6p makes a net total of 2.4375p, against 2.5125p.

Tax takes £262,000 (£256,000) leaving a net profit of £150,000 (£230,000). Cost of the dividend is £63,000 (£65,000) after waivers of £34,000 (£35,000).

Activities are estate development, building contracting and property investment.

Allied Insulators progress

FIRST HALF 1975 external sales of Allied Insulators increased from £3.56m. to £4.67m., and pre-tax profit advanced from £0.31m. to £0.43m. The figure for the year 1974 was £0.69m.

Mr. A. Lloyd, chairman, reports that the total value of unexecuted orders remain at a satisfactory level but current demand is irregular. The directors, however, remain reasonably optimistic with regard to the immediate future.

The interim dividend is raised from 0.4p to 0.44p net. Last year's total was 1.1p per 25p share.

	Half-year 1975 £	1974 £
External sales	4,672,623	3,557,023
Trading profit	505,154	365,279
Finance charges	71,545	51,976
Profit before tax	433,609	313,302
Estimated tax	228,000	140,000
Net profit	205,609	173,302
Extraordinary debits*	29,199	—
Balance	176,410	173,302
Preference div.	10,462	10,462
Ordinary interim	39,800	36,000

* Relocation of Unilator Technical Ceramics.

Export sales increased by 80 per cent. to £1.6m. and this is the main factor contributing to the increase in profit, although employees' additional aggregate remuneration was £530,000.

Resulting primarily from the realistic response of the Ceramic and Allied Trades Union in negotiations, the rate of increase in remuneration will slow slightly during the second half but total remuneration, the most significant element of cost, will for the year 1975 exceed that for the previous year by at least 25 per cent., says Mr. Lloyd.

The company is in the process of purchasing the Ordinary capital of Mason and Burns. Before discharging the consideration of £95,000 for this purchase total group borrowings have not exceeded £1.25m.

STOTHERT & PITT

Stothert and Pitt has set up a new subsidiary company in Germany—Stothert and Pitt GmbH. This company, based in Düsseldorf, will deal with the sale and hire of Stothert's contractors plant equipment, and with customer services.

Woolworth up £1¼m. so far

IN THE half year ended July 31, 1975, group pre-tax profits of F. W. Woolworth and Co. showed an increase from £10.44m. to £11.69m., on sales some £58.5m. ahead at £254.66m.

The directors say that sales and profits at this stage are in line with budgets. The present economic situation, however, makes it advisable to take a relatively cautious view of the outcome for the remainder of the year.

The net interim dividend is 1.225p (same). For 1974-75 an unchanged total of 3.95p was paid from profits £11.9m. lower at £30.85m.

	First-half 1975-76 £000	1974-75 £000
Turnover*	254,662	196,158
Profit	11,691	10,436
Charged:		
Depreciation	2,444	2,342
Interest	1,360	1,416
Credited:		
Profit on prop. sales	123	†64
Taxation	6,000	5,150
Net profit	5,697	5,256
Extraordinary debits‡	14	629

* After VAT of £14.23m. (£12.31m.). † Loss. ‡ Provision for exchange fluctuations.

Statement, Page 3
See Lex

Allied Plant upsurge

Turnover for the six months to May 31, 1975, of Allied Plant Group increased from £554,324 to £772,982 and pre-tax profit advanced from £91,023 to £164,832, and is in excess of the £160,556 for the year to November 30, 1974.

Chairman, Mr. M. Heathcote, says an encouraging start has been made to the second half. Efficiency generally has been increased as a result of which, and by organic growth, the group is well placed to continue its record of increasing profitability.

The directors are also interested in broadening the base by acquiring profitable companies which are complementary to present activities.

The interim dividend is lifted from 0.175p to 0.55p net per 5p and, with indicated Treasury permission, a minimum final of 0.375p is intended on capital to be increased by a one-for-one scrip issue. Last year's total was 0.75p.

	Half-year 1975 £	1974 £
Turnover	772,982	554,324
Profit trading cos.	218,325	131,809
Depreciation	53,493	40,786
Profit before tax	164,832	91,023
Estimated tax	35,000	—
Net profit	129,832	91,023
Vardelle Prop. deficit*	22,126	46,649
Attributable Ordinary	107,706	44,374
Interim dividend	11,550	3,675
Balance	96,156	40,699

* Loss on sale of the Bournemouth property, £31,761, actually incurred during the six months under review, was included in the reserve at November 30, 1974. The revenue deficiency on Vardelle therefore excludes it.

Increase at A. & J. Gelfer

Turnover for the year to March 31, 1975, of A. and J. Gelfer expanded from £2.56m. to £2.78m. and taxable profits show an increase from £519,056 to £604,709 after £287,470, against £212,631, for the first half.

After a tax charge of £315,410 compared with £264,918 earnings per 20p share are shown to be up from 5.08p to 5.79p. The dividend is lifted from 2.4376p to the maximum permitted 2.6p net with a final of 1.27p.

Figures do not include an extraordinary debit of £12,306 (£7,369).

The group manufactures ties, men's headwear and scarves.

SCOTIA INVESTMENTS

Following the proposals — already announced — concerning Scotia Investments' 8½ per cent. convertible loan stock 1980/85, the trustees of the 9½ per cent. convertible loan stock 1976/84 have agreed to an amendment to the terms of the 9½ per cent. stock comprising an increase to 11½ per cent. in interest payable with effect from August 1.

BIDS AND DEALS

CMT turns tables with £10m. offer for LCP

BY STEWART FLEMING

AFTER INITIATING merger talks with Midlands engineers Central Manufacturing and Trading Group (CMT) six weeks ago, LCP Group yesterday found itself the subject of an unwanted £10m. takeover bid from CMT. The bid was presented to Mr. David Rhead, the recently appointed chairman of LCP by Mr. Tony Hickman, managing director of CMT barely two hours before he addressed shareholders at LCP's first annual meeting since his appointment.

Mr. Rhead confirmed yesterday that LCP had wanted to put out a statement on Friday saying that the joint merger talks announced on July 17 had been called-off.

So the takeover offer presented to him by Mr. Hickman had come as a "shock." "How would you feel taking your first annual meeting at noon and receiving such an intimation at 10.00 o'clock," he said. "We have never done what they have done to-day. All our bids have been made with mutual agreement."

On the circumstances leading up to LCP's first approach to CMT, Mr. Rhead said that the two companies had had merger talks intermittently over the past ten years. Both were agreed on the commercial logic of linking their distribution and engineering interests, but in the past they had always fallen down on the issues of price and the Board structure of a merged group. He added that this time it is the question of the price, the split of the merged group's equity between the two companies' shareholders, which could not be agreed.

CMT Group's merchant bankers Singer and Friedlander said that in the course of the merger discussions it had been agreed by both sides that rather than LCP making an offer for CMT as originally envisaged, CMT should be the vehicle through which the offer should be made. Board agreement had also been reached on the management structure of a merged group including the appointments of chairman, who would be Mr. Rhead and managing director, Mr. Hickman.

There was an immediate adverse reaction in the share price of CMT yesterday on news of its bid. The shares fell 11p to 54p on the day. Taking the convertible element of the bid terms at par (and such a valuation seems certain to be disputed by LCP) the offer values LCP shares at 56p compared with a closing price for the company's shares yesterday of 53p, up 7p. The terms are four ordinary shares of CMT plus £3.50 in a new 12¼ per cent. Convertible unsecured loan stock 1988 of CMT for every 10 shares of LCP.

See Lex

SUN LIFE

Sun Life Assurance Society now has an interest in 18.78m. Ordinary shares in Artagen Properties representing 33.35 per cent. of the capital.

ASHBOURNE

In a notice convening an EGM (requested by Crest International Securities for the purpose of reconstituting the Ashbourne Board), the chairman of Ashbourne Investments says that the Board is seriously concerned that it is vital all shareholders vote against the resolutions in order to ensure that control of Ashbourne does not pass to directors of Crest and their associates.

Hanson sells stake in Gable

By Nicholas Leslie

HANSON TRUST, the industrial holding group headed by Mr. James Hanson, has sold the 24 per cent. stake in Gable Industries Inc., the U.S. quoted building materials group, which it bought nearly two years ago.

The purchaser is the Flintkote Company, another U.S. quoted building materials group, and it is paying $8m. cash. Flintkote is also buying a further 20.4 per cent. of Gable from Mr. and Mrs. Joseph Sylvestri at the same price per share—$15.

Mr. Gordon White, chief executive of Hanson's overseas interests, commented that the deals "have been strongly recommended by the Gable management who see an advantage in the consolidation of the two shareholdings."

When Hanson negotiated the purchase of its stake in Gable in 1973, the price was to have been $20 a share. But this was subsequently renegotiated—in the light of Gable's performance—down to an effective $7.12. Among the changes which followed in Gable was the recent sale of the foundry side of its business.

Explaining yesterday why Hanson had sold the shares—thus realising a profit of over 100 per cent.—rather than raising its holding, Mr. Hanson said he had been influenced by the desire of the Gable management for the share deal and that, while having made Gable viable Hanson was not prepared to make it a target to buy all Gable's shares. It had become less important for Hanson to have the Gable share quote in the U.S.

Mr. Hanson saw the deal as "very beneficial" to Hanson Trust as it had put no money into the U.S. company and the sale provided Hanson with funds free of the dollar premium. The money would assist Hanson in its acquisition, announced last month, of the specialised textile division of Indian-Head, the American industrial concern controlled by Thyssen-Bornemisza, of Holland, for £16m.

ESTATES HOUSE INVESTMENT

Estates House Investment Trust—the company formed to merge some 16 quoted companies and six unquoted companies formerly knowno as the "Lowson Group"—has, since its scheme of arrangement became effective on July 21, had a holding of 9.2m. Ordinary and 67,990 Preference shares in Anglo-Thai Corporation, 44.9 per cent. and 67.99 per cent. respectively.

Also Estates House is now interested in 1,572,000 (11.34 per cent.) Ordinary shares of Yule Catto and Co.

RIVLIN—DEYONG

Under the terms of the agreement further considerations for L. Deyong and Co. is to be satisfied by the issue of 91,756 Ordinary shares of I. D. and S. Rivlin for the listing which has been granted, and a cash payment of £19,178.

MINING NEWS

Further progress at Robe River

BY KENNETH MARSTON

WHILE most other producers of base metals are living through the lean times of diminished demand and lower prices for their outputs, Western Australia's big iron-ore operations, which are the main suppliers to Japanese steel mills, are still doing well. A case in point is the big new Robe River operation which is still in the expansion phase.

It is reported from Sydney that in the three months to June 30 Robe's output of ore fines increased to 2.04m. tonnes from 1.62m. tonnes in the previous quarter while pellet production rose to 878,000 tonnes from 852,000 tonnes. Furthermore, major work on modifications to the pellet plant, which will raise its annual capacity from 4.2m. tonnes to 4.7m. tonnes, has been completed.

Shareholders in the venture include America's Cleveland-Cliffs, Japan's Mitsui and Australia's Robe River company, the last-named having a 35 per cent. stake. The Robe River company says that negotiations have been completed with debenture holders to enable it to finance its share of the venture's sinter fines expansion project.

The overall expansion could cost some $300m. (£182m.). It represents a big gesture of faith in the coming recovery in world economies and a consequent increase in demand for iron-ore by about end-1976 which would be the earliest date on which the Robe River production expansion programme could make its impact.

WESTERN MINING NICKEL OUTPUT

Production is keeping up well at Western Mining's Kambalda nickel property in Western Australia. During the four weeks to August 12 the amount of ore treated fell slightly to 111,890 tonnes from 112,871 tonnes in the previous period which included a purchase of 15,240 tonnes.

The ore grade on the latest occasion, however, was higher at 2.97 per cent. nickel compared with 2.8 per cent. The total of concentrates produced rose to 24,852 tonnes grading 12.03 per cent. nickel and 0.98 per cent. copper from 21,721 tons going 12.82 per cent. nickel and 0.99 per cent. copper.

In addition, Western Mining reports that 7,426 tonnes of concentrates assaying 11.56 per cent. nickel (previously 7,472 tonnes assaying 10.94 per cent.) were produced at the Mount Windarra project of which the company's share is 50 per cent., the rest being that of Poseidon.

CENT. NORSEMAN MAKES A LOSS

Another struggling gold producer in the Western Mining group Down-Under is Central Norseman. Despite a higher average gold price received of $A123 per ounce compared with $A91, the Western Australian mine reports a loss of $A214,000 for the 52 weeks to June 17 compared with a profit of $A364,000 in the previous year.

It is pointed out that in the latest period gold production fell by about 9 per cent., partly as a result of labour shortage, while costs were boosted by higher wages and prices of fuel oil and other materials.

On the brighter side, however, it is hoped that profitable operations and the repayment of loans will result in the current year from mining at the North Royal open cut where overburden removal is nearly completed. Meanwhile, a sharp improvement in the grade of ore treated from 5.41 grams to 10.15 grams gold per ton lifted gold output to 9,505 ounces from 4,738 ounces in the 12 weeks to June 17. It has amounted to 3,933 ounces and 3,670 ounces in the following two four-weekly periods.

UNION BAN ON MARY KATHLEEN

It is reported from Brisbane that a meeting of Australian labour unions has cast a shadow over the proposed re-start of operations next year at the Rio Tinto-Zinc group's Mary Kathleen uranium mine in Queensland.

Union delegates at a biennial congress have voted 43 to 11 in favour of banning the mining and export of Mary Kathleen's uranium. The congress decision now has to be referred to the Queensland Trades and Labour Council.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p**	+ or —	Div. P. or Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	156	Akroyd & Smithers	155	......	u12.5	1.7	12.1	7.6
$105	F.P.	—	277	275	Brazilian Invs. S.A.	275	......	—	—	—	—
55	F.P.	21/8	55	54	Lawrence (Walter)	54	......	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or —
::	F.P.	21/8	93	87	Adwest Grp. 10½% Cnv. 95/2000	87	......
$100	F.P.	—	101⅛	£99½	Barclays Bank Int 9¼% Capital Notes 1982	99⅛	......
£100	£10	7/11	11⅛	10	Barnet Corp. 13½% 1980	11⅛	—⅛
£100	£10	7/11	12¼	9½	Do. Do. 14% 24/5	11⅛	+⅛
A**£98	£10	—	10	9¾	Bristol Water 9% Red Pref 1980	9¾	......
£100	F.P.	—	100	98¼	CSR 9½% Notes 1980	100	......
**£99	£10	12/9	10½	9	Camb. Water 9% Red. Pref. 1980	9	......
£100	£50	—	49½	44	Ciba Geigy (G.F.S.) 8¾% Guar. Ln. 1982/95	44	—2
£97½	F.P.	12/9	98½	97	City of Westminster 13% Red. St. 1981	97⅝	......
£99	F.P.	—	100	98	Clayton Dewandre 10% Deb. 90/5	99½	......
£98½	£10	5/12	11¼	9¾	Derby Borough Council 13¼% Stk. 1983	11⅛	+⅛
‡£99	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	......
‡£100	F.P.	—	104	89	English Properties 12% Conv. Ln. 2000/5	89	......
£100	F.P.	—	106½	100	FinnisFinance(U.K.)9%ConvGtdUnsLn85-90	102	......
‡£1	Nil	—	¼p.	¼p.	Fodens 10% Cnv. Red Cum Pref	¼p.pm	......
£99	F.P.	31/7	112	100¼	Folkestone Dist. Water 9% Red. Prf. 1980	101¼	......
£100	£50	23/10	56¼	53	Hoechst 10% Guar. Ln. 1990	54½	—¼
‡£100	Nil	—	3½	½	Land Secs 10% Conv. 90/5	3½pm	+2
‡£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	101	—1
£99	£10	—	10¼	8¼	Newcastle & Gate 9% Red. Prf. 1980	8¼	......
£99	F.P.	31/7	112¼	100¼	N. Surrey Water 9% Red. Prf. 1980	100¼	......
‡£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. 90/5	88	......
—	F.P.	—	99	99	Schlesinger Int. Fd. (Jersey) Part Red Pref	99	......
£99	F.P.	29/8	99⅝	98	Sunderland Water 9% Red. Pref. 1980	98	......
::	F.P.	—	90	77½	Turner Curzon 15% Conv. Uns. 78-80	88	+3
::	F.P.	29/8	101⅝	98¼	Whitbread 11% Conv. 1995	99¼	—¼

"RIGHTS" OFFERS

Issue Price p**	Amount Paid up	Latest Renunc. Dates		Stock	Closing Price p**	+ or —
161½	F.P.	15/8	10/9	Adams Foods	19	......
110	F.P.	28/7	25/8	Anderson Strathclyde	114	+1
46	F.P.	7/7	10/9	BOC Intl.	44½	—½
90	Nil	22/8	17/10	B.T.R.	38½	—2
Is£1.25	Nil	—	—	Bank of Leumi (Israel)	8pm	......
115	F.P.	21/7	1/9	Bowater	150	—2
10	Nil	—	—	British Car	16½pm	......
50p	F.P.	25/7	5/9	British Steam Specialties	52	......
30	F.P.	31/7	29/8	Century Oils	35	......
66	Nil	—	—	Chubb & Son	12pm	+½
36	Nil	22/8	19/9	Clayton Dewandre	15pm	......
45	F.P.	6/8	4/9	Comp Air	55	—½
25	Nil	27/8	26/9	Crellon	1pm	......
41	Nil	22/8	19/9	Crossley Building	½pm	—½
65	F.P.	21/8	16/9	Davy Intl.	75	+1
72	F.P.	30/7	29/8	Dundee-Combex-Marx	106	......
25	F.P.	15/8	19/9	Empire Stores	69	+2
10p	F.P.	4/8	5/9	Feedex	21	......
25p	F.P.	15/8	5/9	Hanson Tst.	98	—1
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	11½	......
26	Nil	—	—	Howard Machinery	5½	......
48	F.P.	15/8	16/9	Law Land	46½	—½
103	F.P.	30/7	15/8	Legal & General	111	......
128	F.P.	15/8	19/9	McCorquodale	157	......
210	F.P.	1/8	29/8	Metal Box	226	—1
52	F.P.	20/8	2/10	Morgan Edwards	38	......
25	Nil	—	—	Normand Elect.	3pm	+1
105p	F.P.	21/7	29/8	Pegler Hattersley	115	......
$A1.60	F.P.	—	—	Poseidon	195	—6
106	F.P.	11/8	5/9	Renold	116	+1
78	Nil	26/8	19/9	Royal Worcester	14pm	+1
40p	Nil	26/8	23/9	Scottish & Newcastle Brewery	7pm	+½
10	F.P.	28/7	12/9	Senior Engineering	15¼	+¾
80p	F.P.	25/7	12/9	Siebe Gorman	129	+4
95p	F.P.	25/7	5/9	Smiths Industries	98	......
170	F.P.	6/8	3/10	Tate & Lyle	189	......
33	F.P.	15/8	12/9	Westland Aircraft	42	—2
110	F.P.	5/8	29/8	Wheatsheaf Distribution & T.	128	......

Renunciation date usually last day for dealing free of stamp duty. u Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. a Forecast dividend; cover based on previous year's earnings. T Figures assumed. : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 230 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♠ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ◊ Introduction. ▲ Issued to former Preference holders. § Allotment letters (or fully-paid). ‡ Provisional or partly-paid allotment letters. ¶ With warrants.

Senate committee hits out at Australian S.E. deals

BY OUR OWN CORRESPONDENT SYDNEY, August 20.

A SENATE committee investigating the securities industry to-day released a report highly critical of Australian Stock Exchanges and of sharebrokers acting as directors. The report, from the Senate Select Committee on Securities and Exchange, probed activities of the Australian Uranium Company, Queensland Mines Ltd. in 1970 and 1971 when a boom in mining shares was in full swing. In 1970 Queensland Mines announced uranium values indicating it had found the richest uranium deposit in the world.

The price of the shares soared to about 15 times their original level but fell sharply after directors disclosed, in August 1971, that the richness of the deposits was only one-sixth of previously published figures. The report said that the company had failed to release assay findings in February 1971 which indicated the reserves were not as rich as first stated and said that the then managing director, Mr. E. R. (Roy) Hudson was responsible for misleading the sharemarket for nearly 12 months. Hudson had profited by selling Queensland Mines shares although aware of the new developments. "This is a case of insider trading with a peculiarly objectionable twist" the report states.

Insider trading by one director, not named in the report, had resulted in profits of nearly $A1m., the report alleged.

The committee, headed by Senator Peter Rae, was set up late in 1970 to investigate the securities industry. The bulk of its findings were released just over a year ago. The committee favours national Companies Act legislation and the establishment of a National Securities Commission.

The latest report is highly critical of the role of the Stock Exchanges in the affair. It said the home exchange, Sydney had not policed its regulations requiring quarterly reports from mining companies. "In failing to demand compliance from Queensland Mines the Exchange was compromising its power to demand prompt quarterly reports from other mining companies," the report said.

The Committee was also critical of sharebrokers acting as directors of public companies. It itemised everal cases which it said showed conflict of interest facing Mr. M. R. L. (Ric) Dowling, then a director of Queensland Mines and a Committee member of Sydney Stock Exchange. Mr. Dowling is senior partner of the sharebroking firm Patrick Partners, which collapsed late last month.

The report said that Mr. Dowling's duties as director, broker and partner were different.

The committee felt that Mr. Dowling's presence on the Exchange Committee could have inhibited exchange officials from firmly insisting on quarterly reports, or lulled them into a sense of misplaced confidence.

"We believe there is a lesson to be noted here concerning the implications of the presence of a senior member of a Stock Exchange on the Board of any listed company."

Dutch banks merger unlikely

BY MICHAEL VAN OS AMSTERDAM, August 20.

THE POSSIBLE merger between the state Post Office Savings Bank (RPS) and the private Netherlands organisation of savings banks (NSB) which was first mooted at the end of 1973, now appears to be off.

The NSB, which has around 100 member savings banks, and deposits exceeding Fls.12bn., said in its annual report for 1974 that it no longer considers the start of a study into the merger possibilities as a "real need." The organisation, which itself is currently in the middle of a reorganisation and streamlining programme, suggested that the main reason was the fear of too much Government influence over future co-operation.

Referring to the Government's plans for merging the Post Cheque and Giro service (PCGD) and the RPS into a state "Postbank" with an extended scope of business, the report commented that this development accentuated the emergence of increased Government influence. "We regret this development which we regard as a reinforcement of the political element," the private savings banks organisation adds in the report.

The NSB conclusions were described as premature by the director of the RPS, Dr. J. P. Matthijsse. He referred to the Finance Minister's earlier assertions that the Government would "keep its distance" from the future "Postbank" and added that the question of the state bank, and its future role, were still subject to a study.

Meanwhile, the Dutch Finance Minister Dr. W. Duisenberg has stressed in a written answer to Parliamentary questions that the "Postbank" would not be given competitive advantages over the commercial banks. Asked whether the state bank should be offering higher interest on salary deposit accounts now that the commercial banks had lowered their interest rates on those accounts, having secured the clients, the Minister said such a measure would be regarded as unfair competition. It was therefore rejected.

Nederlandsche profits growth

BY MICHAEL VAN OS, AMSTERDAM

NEDERLANDSCHE Middenstandsbank (NMB), Holland's third largest commercial bank, saw its net profit rise 22 per cent. to Fls.27.4m. in the first half of this year and it expects a "further growth of profits" during the rest of the year.

The bank, in which the Government has an interest of 29 per cent., said in a short financial statement here to-day that the first half had been characterised by good business growth. Its balance sheet total had reached Fls.15.6bn. at the end of June, which was 15 per cent. up on the total at the end of 1974.

NMB said that deposits had gone up 16 per cent. to Fls.14.7bn. while advances had increased 12 per cent. to Fls.8.4bn. Total revenue amounted to Fls.285.8m. in the first half, which was up 21 per cent., while expenses reached Fls.237.8m., which was up 24 per cent. Continued automation and efficiency had resulted in only a slight increase in staff.

The bank added in the statement that provisions had amounted to Fls.18.8m. (up Fls.3.8m.) and the allocation for tax was Fls.19.6m. (Fls.20.5m.).

NMB, which is part of the international banking consortium, Inter-Alpha Group, added in a short comment that the interest margin had gradually improved in the first half from the second half last year, but that it was still somewhat lower than in the first half last year. The interest margin was expected to continue at the current level which is why the bank expects a continued growth of profits for the remainder of the year.

Operating loss at Lesieur Cotelle

PARIS, August 20.

LESIEUR-COTELLE et Associes SA reported an operating loss of Frs.149.6m. for the first half of 1975.

This was due both to generally poor market conditions, involving a drop in raw material prices and a fall in sales, and to cession at disadvantageous prices of stocks and term contracts acquired at end 1974, it said.

For the whole of 1974, the company declared a net loss of Frs.80.2m. (net profit Frs.29.3m.).

Since the start of the second half raw material prices have picked up and sales also appear to be recovering, but no forecast for the whole year can yet be made because of present uncertainties, the company said.

The company retained its 52 per cent. share of the French food oil market, and improved its market share for cleaning products, but a rationalisation programme now under way will have immediate effect only in limited sectors, it added.

The first half operating loss was calculated on the basis of actual cost of stocks, and not on the basis of replacement costs, the company said.

Price rises are generally reducing the provision that would have to be made to cover stock depreciation.
Reuter

Union Steel shows its strength

By Richard Rolfe

JOHANNESBURG, August 20.

DESPITE RECESSION in the world steel industry, results from Union Steel show the relative immunity of the South African sector where demand has continued strong. USCO has raised its operating surplus from R5m. in the six months to June 1974 to R8m. for the six months just ended on turnover which remained static at R64m.

Within the sales make-up, however, there were some considerable swings and roundabouts. Steel sales were up 50 per cent. to around R37m. while copper products were sharply down on the lower metal price. Even so, the copper fabricating side seems to have been about 30 per cent. more profitable than a year ago.

The mild steels division showed an unacceptable level of returns and remains the group's Achilles heel, while most of the running was made in the special steels division—mainly containerisation products — which was well ahead of expectations. This division is believed to have chipped in about R5m. of trading profit, benefiting plainly from an absence of price controls.

Tedelex moving well

By Richard Rolfe

JOHANNESBURG, August 20.

WITH INTEREST building up in TV, ahead of full-scale programmes in January, results from Television and Electrical Holdings (Tedelex) are a token of what manufacturers with a good product and distribution network may be able to achieve. For the six months to end-June Tedelex profits rose from R534,000 to R1.4m. or, in earnings terms, from 3.9c to 11c. The Board predicts profits for the second six months will be "substantially in excess" of these levels.

With a number of big contracts recently concluded, as with Holiday Inns, a useful rise is certainly on the cards and total earnings for 1975 of about 35c are expected. The shares have been popular with London buyers recently, though listed only in Johannesburg, and have risen 25c to 175c this week. One major London trading company anxious to increase its take in the republic, is known to have had unsuccessful talks with the Tedelex Board about buying a stake in the company.

Bayernhypo maintains earnings

MUNICH, August 20.

BAYERISCHE Hypotheken und Wechselbank said it maintained the good earnings/position established last year in the first half of 1975

The interest surplus, including earnings on securities, inscribed stocks and participations, rose by DM35m. compared with half the total 1974 figure to DM248m., it said in an interim report.

The interest surplus on mortgage business rose further while the commission surplus was slightly more than half of the result in the whole of 1974.

The bank's balance-sheet total rose by DM687m. to DM27.65bn. in the first half of the year. Deposit and credit business was slightly down but there was a strong increase in mortgage and bond business.

Credit volume fell by DM410m. to DM10.6bn. Foreign business rose by 18 per cent. compared with the first half of 1974, due to the increase in exports.

Net 1974 profit was DM56.2m.
Reuter

New Norwegian consortium

By Fay Gjester

OSLO, August 20.

SIX LEADING Norwegian industrial concerns have formed a new company—Norencon A/S —to plan and build petroleum and petrochemical plants and installations. Until now, contracts for this type of plant in Norway have gone mainly to foreign specialist concerns. The new company hopes to break into the field by co-ordinating the resources and know-how of the six partners—the Aker shipbuilding group, Dyno Industrier, Kvaerner Engineering and ASV Kraerner Engineering and ASV, the 75 per cent. State-owned aluminium group.

Setback at Ericsson as margins decline

BY WILLIAM DULLFORCE STOCKHOLM, August 20.

L. M. ERICSSON, the Swedish telecommunications group, reports a 22 per cent. profit setback for the first half of the year, following a decline of 2.1 per cent. in the margin between sales and manufacturing costs. The Board now anticipates lower earnings for 1975, reversing the forecast of an improved profit contained in the 1974 annual report, but it is maintaining its prediction of a 20 per cent. rise in turnover over the year.

Pre-tax profit for the six-month period was Kr.304m. (£33.7m.) which compares with Kr.388m. for the first half of last year and Kr.430m. for the second half. Earnings were 9.4 per cent. of turnover compared with 14.1 per cent. The adjusted net earnings per share fell from Kr.11.60 in the first half of 1974 to Kr.7.95.

Sales rose by 17 per cent. to Kr.3.2bn. (£359m.), while order bookings at Kr.4bn. exceeded the order intake for the corresponding period of 1974 by only 9 per cent. The reduction in orders from telephone administrations following government instructions to counter inflation or facing difficulty in raising finance led to "pronounced restraint" in new order bookings from the European markets, particularly Italy, the Board reports. On the positive side it singles out the order for a new international exchange placed with Thorn-Ericsson by the British Post Office.

The half-way report pinpoints the rapid cost increase in equipment delivered through the Brazilian subsidiary, which was not adequately offset by price adjustment clauses, as the chief reason for the deterioration in the group's overall profit margin. A further negative factor underlined is increased labour costs, not only in Sweden where a 20 per cent. rise is expected this year, but also in other countries where the group manufactures and which are experiencing high inflation rates.

The group continued to invest heavily in property, plant and equipment during the first six months, recording a total of Kr.328m. (£36m.) against Kr.224m. during the first half of 1974.

During the six-month period the parent company issued a debenture loan in Sweden of Kr.100m. (£11m.) and obtained a long-term Swiss loan of Fr.40m. and two medium term loans on the Swiss market aggregating Frs.100m. At the end of June the group's short-term cash and bank balances were just over Kr.1bn., slightly higher than at the beginning of the year.

Cyclone rejects higher Boral offer

MELBOURNE, August 20.

CYCLONE of Australia rejected the increased Boral offer of $A2.10 cash a share, saying Boral continues to fail to recognise the true worth of Cyclone shares.

Cyclone said the ARC Industries offer valued the shares at $A2.46 and the London and Midland Scaffolding value was $A2.50. So the net tangible asset backing for each share is at least $A3.

Boral's offer does not entitle shareholders to the final Cyclone dividend and the value of the offer is thus effectively reduced to $A2.005 a share.

Cyclone said Boral yesterday bought 369,679 shares to increase its holding to 735,891 or 9 per cent. of Cyclone.

Both the Boral and ARC offers are being examined by the commissioner for Restrictive Trade Practices.

Cyclone will issue its shares at $A2.50 each as consideration for its purchase of London and Midland Steels interest in Cyclone Double Grip Scaffolding Pty.

A meeting will be held on August 22 to approve the purchase.
Reuter

Akzo postponing expansion

BY MICHAEL VAN OS AMSTERDAM, August 20.

AKZO, the loss-making large Dutch chemical group, revealed to-day it has "temporarily postponed" three major international expansion projects in view of current economic conditions and the uncertain outlook.

The projects include the plan, together with the French ATO Chemie chemical group, of building a large complex on the French coast, probably at Le Havre. This was to have included a large thermal cracking unit for production of raw materials for several other plants, including a Vinylchloride plant.

The second project to be postponed is the construction at Enka, North Carolina of a large plant to manufacture poromeric material for shoe uppers. The building was due to be completed in late 1976.

Finally, AKZO has also decided to postpone building a chemical fibres plant at Chimahi, near Bandung (West Java) in Indonesia. This project was in an early plannin gstage.

An AKZO spokesman said in Arnhem to-day that total group caiptal expenditure was expected to reach around Fls.800m. this year—the same as last year—of which Fls.650m. had been approved last year

The chemical group, which yesterday announced that its net loss totalled over Fls.100m. in the first half of this year had embarked at the start of this year on a xigorous programme of extensive short-time working, and staff reduction wherever possible. It was also cutting maintenance expenditure.

Tokai Bank financing moves

TOKYO, August 20.

TOKAI BANK plans to make a 40 per cent. rights issue to shareholders of record on September 30.

The bank also plans publicly to offer 26 million shares of its common stock.

Shareholders will be given rights to purchase two new shares for each five shares held as of September 30 for Y50 (par value) per share with payments due on January 31, 1976.

The offering price for the public subscription is to be determined later, but applications for it will be accepted between January 10 and 20, with payment due on January 31, 1976.

Tokai bank's capital is to be increased to Y54.5bn. from Y38bn. as a result of these moves.

Tokai also said that it will take a 12.5 per cent. share in Arinfi S.S., a Swiss-incorporated, Beirut headquartered international investment bank with paid-up capital of S.Frs.14m.

Financial details were not immediately available. The Beirut bank is mainly held by Arab shareholders, including the Kuwait Investment Co., with Marine Midland Bank, N.Y. and International Marine Banking Group each holding 12.5 per cent.

Tokai said that its capital participation in Arinfi will help Japan recycle petrofunds and form closer economic ties with Arab nations.
AP-DJ/Reuter

Kirin sees decline in profits

TOKYO, August 20.

KIRIN BREWERY Company estimates that net profits fell to Y2.5bn. in the first half ended July 31, from Y4.8bn. in the same 1974 period, a company spokesman said.

The fall, caused by increased production costs, was smaller than the company previously expected, and profits would show a substantial improvement in the second half, aided by an 8.2 per cent. increase in beer prices from July 22, he added.

The company will declare an unchanged interim dividend of Y3.75 per share.

The spokesman said that Kirin estimates that gross first half sales increased to Y278bn. from Y258bn., helped by a hot summer which saw its beer sales rise by 3 per cent. and soft drink shipments increase by 20 per cent.

Costs of materials, transport and wages increased substantially, but prices of some subsidiary raw materials, such as starch and broken rice, fell, while lower prices of sugar increased the profitability of soft drinks, he said.
Reuter

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

CONVERTIBLES	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 5pc 1987	88½	90½
Austraswiss 8pc 1987	88½	89½
BFCE 9pc 1989	95	99
Borregaard 8½pc 1989	92	94
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	96	97
Consol. Foods 7½pc 1991	84	87
Cutler Hammer 8pc 1987	90½	91½
EIB 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	98	99
General Cable 8½pc 1987	88	89
General Motors 8¾pc 1986	102	103
GTE 8½pc 1986	97	98
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7½pc 1985	86	87
Quebec Hydro 8½pc 1988	95½	98½
Queensland 8½pc 1987	86	87
Scanraff 8½pc 1988	96	97
Shell 8pc 1986	97	98
Standard Oil (Inc.) 8½pc '88	99	100
Tenneco 7½pc 1987	87	88
Transocean 8pc 1986	97	98
TRW 8½pc 1989	96½	97½
Utah 8pc 1987	89½	90½
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	101	102
Aust. Ind. Dv. Co. 10½pc '81	101½	102½
Barclays 7½pc 1978	95½	97½
Cie Nat. Du Rhone 10pc '82	102	103
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	99½	100½
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	99½	100½
Nippon Fudosan 10½pc 1981	101½	102½
Skand. Enskilda 10½ 1981	102½	103½
Tenneco 7½pc 1979	97½	98½
Tokyo Caracao 10½pc 1981	101½	102½

Source: White Weld Securities.

STRAIGHTS	Bid	Offer
American Express 4¼pc '87	81	83
Ashland 5pc 1988	75	77
Beatrice Foods 4½pc 1992	89	91
Beatrice Foods 4½pc 1992	89	91
Borden 5pc 1992	86	88
Broadway Hale 4½pc 1987	73	75
Canon Camera 7½pc 1989	84	86
Carnation 4pc 1987	81	83
Chevron 5pc 1988	95	97
Dart 4½pc 1987	81	83
Eastman Kodak 4½pc 1988	110	112
Economic Labs. 4½pc 1987	75	77
Eidal 7½pc 1989	86	88
Ford 6pc 1986	94	96
Ford 5pc 1988	72	74
Fuji 6½pc 1985	100	
General Electric 4¼pc 1987	82	84
Gillette 4½pc 1987	71	73
Gould 5pc 1987	76	78
Halliburton 4½pc 1987	122	124
Harris 5pc 1992	65	67
Hitachi 6½pc 1984	98	102
Honeywell 6pc 1986	73	75
ITT 4½pc 1987	66	68
Komatsu 7½pc 1990	104	106
J. Ray McDermott 4½pc '87	131	135
Mitsui 8½pc 1989	138	
J. P. Morgan 4½pc 1987	102	104
Motorola 4½pc 1985	106	110
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4½pc 1987	77	75
Pioneer 6½pc 1989	134	
Rand Selection 6½pc 1986	94	98
Rank 4½pc 1993	40	42
Revlon 4½pc 1987	93	95
Sperry Rand 4½pc 1987	88	90
Squibb 4½pc 1987	77	79
Toshiba 6½pc 1990	102	103½
Union Carbide 4½pc 1982	107	109
Warner Lambert 4½pc 1987	87	89
Warner Lambert 4½pc 1988	76	78
Xerox 5pc 1988	71	73

Source: Kidder, Peabody Securities.

Brazil to borrow more

By Mary Campbell

BRAZILIAN public sector entities may be expected to borrow a further $300m. or $400m. on the Euromarkets this year, Sr. Calmon de Sa, president of the Banco do Brazil, said yesterday. He was speaking after the signing of a $150m. loan for the Brazilian railroads.

Details of the loan have not been formally published. However they are thought to include a maturity of five years for the majority of the total at a floating rate, with the spread set at 1½ per cent. Some of the funds, however, will be supplied at a fixed rate of interest, partly for two years and partly for five.

A $45m. loan for CEMIG was also signed recently while the previously reported $120m. loan for the Banco Nacional de Desenvolvimento is due to be signed to-morrow

This will bring the total value of loans signed with foreign banks to over $350m. within a one-week period. The total foreign debt of public sector institutions in Brazil is now between $4bn. and $5bn., Sr. Calmon de Sa said yesterday. The private sector's foreign debt is around $9bn., he added.

He also said that the recent frost may not adversely affect Brazil's foreign earnings from coffee next year because price increases could offset the loss of volume in exports.

Alusuisse acquires U.S. company

By John Wicks

ZURICH, August 20.

THE ZURICH-BASED company Swiss Aluminium has announced the take-over of Heyward-Robinson Company, New York. The American concern, which has some 250 employees, works primarily in the planning and construction of chemical plants. Its former proprietors will continue to be responsible for the management of Heyward-Robinson, which will become part of the services division of the Alusuisse group.

The Swiss group says that Heyward-Robinson's special knowledge in the sector of process engineering represents a valuable strengthening of the Alusuisse engineering programme at the international level. Heyward-Robinson will be active outside the U.S. to the extent this is called for by group requirements.

Jardine names the day

JOHANNESBURG, Aug. 20.

FORMAL offer documents for the interest Jardine Matheson proposes acquiring in Rennies Consolidated Holdings will be despatched on September 2, a spokesman for Rennies said.

Rennies has said Jardine will offer to acquire 30 per cent. of the existing issued share capital of Rennies at 350 cents per share in cash pro rata from each shareholder.
Reuter

COMPANY NEWS

'Tubes' mid-term profit slips to £19.23m.

EXTERNAL SALES for the first half of 1975 of Tube Investments expanded from £240m. to £291.8m., but pre-tax profits fell slightly from £20.76m. to £19.23m. Profits similar to these are expected for the second half.

Earnings are shown to be down from 24.5p to 20.6p per £1 share. The interim dividend is lifted from 7.2p to 8p net. Last year's total was 15.982p paid from profits of £41.06m. before tax.

	First half 1975 £000	First half 1974 £000
External sales	291,782	240,055
Trading profit	28,922	25,028
Profit on property sales	265	1,067
Depreciation	5,871	4,833
Proportion BA group	322	1,796
Associates	2,528	1,988
Net interest on overdrafts, etc.	3,508	2,139
Profit	22,696	23,796
Steel tube	13,297	9,363
Cycle	1,538	3,336
Consumer finance	648	394
Domestic appliance	919	*53
Midland Aluminium	382	—
Engineering	1,428	1,625
Machine	938	286
Industrial electrical	419	539
Allen West & Simplex	1,055	683
Overseas	1,908	4,514
Parent co., etc., loss	58	†1,921
BA group	322	1,796
Loan interest	3,470	3,027
Profit before tax	19,226	20,769
Tax	10,039	10,536
Minority holders	722	730
Earnings	8,465	9,503
Extraordinary credits	11	‡295
Making	8,476	9,208
Dividends	2,643	2,715

* Loss. † Profit. ‡ Debits.

Figures in respect of Midland Aluminium are included from the date of acquisition—February 24, 1975. The excess of cost of shares acquired over the book value of net assets attributable to such shares amounts to approximately £2.3m., which will be written off in the accounts for 1975.

The directors say that a high level of deliveries to capital goods industries and improved overseas sales enabled steel tube division to earn good profits despite low demand from consumer industries. Domestic appliance and machine divisions benefited *from* action taken to deal with internal problems and improved their profits.

Overall group performance held up well in spite of the depressed economic conditions at home and abroad, although there were weak areas.

The cycle division was hit especially hard by the collapse of the U.S. bicycle market and its repercussions. Results of the overseas division were seriously affected by a two-month strike at the principal tube factory in Canada and by a major downturn in consumer sales in Australia. British Aluminium suffered from a particularly sharp fall in demand.

It is expected that profits of the steel tube division, which is usually affected relatively late in the economic cycle, will now begin to fall in response to the economic recession.

In the second half of the year this should be compensated by continued recovery and favourable seasonal factors in domestic appliance, machine and overseas divisions. Group profits for the second half should therefore *approximate to* those for the first half, members are told.

The diversity of products and the geographical spread of markets will enable the group to exploit any upturn in business at home or abroad.

British Aluminium, a subsidiary, reports first half 1975 profits down from £3,791,000 to £697,000 before tax. Profits for the year 1974 were £6.17m.

Excluding extraordinary items, first half consolidated net profit was £406,000 against £1,598,000.

The directors state that the reduction in demand for aluminium proved much more severe than expected. During the first half world usage of primary aluminium was less than two-thirds of the level in the first half of 1974. In the U.K. consumption of semi-fabricated aluminium has dropped over 25 per cent., with the second quarter being much worse than the first.

The higher interest charge of £2.45m. (£1.64m.) reflects higher *working capital* due to *inflation* and the metal stock increase, and partly the replacement of half the Swiss borrowings by more expensive sterling borrowing.

Statement, Page 15

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:— Bensons International Systems, Johnson Group Cleaners, Needlers, Pentos, Rawlings Bros., Rentokil, Scottish Eastern Investment Trust, Southvaal, Tronoh Mines, Woodhouse and Rixson.

Finals:—Atlantic Assets Trust, Ayer Hitam Tin Dredging, Ellis and Company (Richmond), Heywood Williams, United Dominions Trust.

FUTURE DATES

Interims:—

Associated Portland Cement	Aug. 28
Godfrey's	Aug. 22
Henderson (J. and W.)	Aug. 27
Lec Refrigeration	Aug. 28
Stanley (A.G.)	Aug. 27
Vantage Securities	Aug. 28

Finals:—

Gripperrods	Aug. 28
Orme Developments	Aug. 22
Pifco	Aug. 27

Pye second-half warning

ATTRIBUTABLE profit of Pye Holdings, the electronics and communications group, increased from £1,746,000 to £1,894,000 in the half year to June 30, 1975, but chairman, Lord Thorneycroft, says that the present economic situation makes it probable that profits attributable to holders in the second half will be lower than those for the corresponding period of 1974.

The interim dividend requiring £602,000 is again 1.225p a share net. Last year's total was 3.675p from attributable profit of £5.3m. The ultimate holding company is Philips' Lamps.

In view of the position regarding ACT the dividend will, in both the company's and also the holders' interest, be deferred until after December 31.

	Six months 1975 £000	Six months 1974 £000
Turnover	107,000	98,000
Trading profit*	7,372	5,530
Long-term loan	316	330
Bank interest etc.	1,940	1,001
Profit before tax	5,116	4,199
Taxation	2,660	2,183
Net profit	2,456	2,016
Minority interest	495	200
Pref. Pye Cambridge	57	57
Attributable	1,904	1,759
Result of Pye Holdings:		
Interest and expenses	20	26
Group relief	10	13
Attrib. Pye Holdings	1,894	1,746

* Pye of Cambridge and subsidiaries including trade investment income.

The consumer products division had a difficult half year and the results of the months of May and June were significantly affected by the increase in VAT. But the communications sector and overseas companies produced better results than last year, the directors state.

The required appropriation to stock replacement reserve out of the profits as shown is estimated at £1.8m. for the half year (£0.9m.) reflecting the increase in the rate of inflation.

Profit of £548,000 realised during the half year on the sale of investments has not been included in the results.

Pye of Cambridge has declared an interim dividend of £0.6m. payable to the parent, Pye Holdings.

See Lex

Halfway loss by Associated Sprayers

Excluding a surplus from the sale of freehold property of £106,000 less £29,600 tax, Associated Sprayers incurred a loss of £15,700 in the half year to February 28, 1975, compared with a pre-tax profit of £111,600 in the same period of 1973-74. Full year 1973-74 profit was £188,800.

There is no interim dividend, against 1.1p and 2.57p total last year.

Turnover for the six months declined from £2.61m. to £2.56m. In the first half of last year there was a tax charge of £38,000, leaving £73,600.

WM. NASH FIRST HALF LOSS

A turnround from a pre-tax profit of £368,000 to a loss of £9,000 is reported by William Nash, specialist paper makers, for the first half of 1975.

The directors report that the company traded profitably in the first quarter but losses in the second quarter caused by low operating levels resulted in the overall loss for the half year. The present level of operation is comparable to that of the second quarter.

In yesterday's report it was incorrectly stated that there was a profit of £1,000 for the half year, and that the present level of operation was comparable to that of the second half of last year.

Expansion policy at Astra

To ensure success for Astra Securities it will probably be necessary to add companies with allied activities to the group, states the chairman, Mr. D. G. Dukes.

A careful appraisal of possibilities is resulting in obtaining substantial interests in situations which appear to warrant purchases at present levels, he tells members.

Investment has been directed to Parkfield Bennett, in particular the ferrous scrap collection division. The high rate of profit *retention* will help towards the installation of plant which will provide the most advanced bailing facilities in the Midlands.

This investment, new equipment and "the energetic way that trading problems are being approached" should mean increased profits in the current year. Overheads are being subjected to continual scrutiny and as it is now necessary to aggressively fight for turnover, sales efforts are intensifying.

As reported on July 24 pre-tax profits increased from £379,772 to £548,912 in the year to April 30, 1975. The dividend is effectively raised from 0.571p to 0.66p net. A one-for-four scrip issue is proposed and the directors expect to maintain the dividend on the increased capital.

Meeting, Birmingham on September 11 at 11.30 a.m.

Mid-term rise at Direct Spanish

Including net dealing profits of £5,578, compared with losses of £35,492, first-half 1975 profits of The Direct Spanish Telegraph Company show an increase from £177,891 to £256,315 before tax of £28,822 against £55,761. Gross revenue *was* £363,517 compared with £648,661.

Earnings are shown to be up from 1.33p to 2.48p per 25p share. The interim dividend is held at 1.05p net, absorbing £96,445 (£96,341). Last year's total was 3.8p, paid from taxed profits of £457,747.

Earnings per share in the second half are expected to be below those of the first. Subject to unforeseen circumstances, however, the directors anticipate paying the same final dividend as for 1974.

Since Slater Walker Investments assumed management of the company's investment funds in February this year, there has been a considerable restructuring of the portfolio, states the chairman, Mr. J. A. W. Nichols. The intention of the directors is to achieve capital growth, he says, and points out that the net asset value per share has increased from 43.7p on December 31, 1974, to 55.7p per share on June 30, 1975.

KELVIN WATSON PROGRESS

Mr. Geoffrey Watson, chairman of R. Kelvin Watson, Manchester manufacturing and retail opticians, told the annual meeting that the forward progress already reported in the first quarter of the new financial year had been maintained in all departments.

But inflationary tendencies, he warned, might affect the retail side of the business in the second half of the year.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Dow drops another 15 to 793

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 20.

PRICES PLUNGED further on Wall Street to-day, sending the Dow Jones Industrial Average *well below the 800 level, motivated* largely by apprehension among investors that reviving inflation and a new round of U.S. interest-rate increases would stifle the current slow economic recovery.

The Industrial Average dropped a further 15.26 to 793.26, making a fall of 29.49 over the past two sessions—the last time the DJIA closed under 800 was on April 11, when it finished at 789.50.

The NYSE All Common Index gave way a further 9.3 cents to $44.30, while *losses outpaced* gains by a near seven-to-one majority. Trading volume sharply expanded by 3.64m. shares to 18.63m.

Brokers noted that selling accelerated as the Industrial Average sank through 800 without any support appearing.

Analysts generally found little relief for the Stock Market's problems ahead although some said internal forces could generate a temporary rebound if the market continues to slide steeply.

American Telephone gave way $2¼ to $46 on 252,500 shares after announcing plans to sell 12m. Common shares around October 1.

Citicorp fell $1¼ to $30⅜ on 579,900 shares.

Fibreboard slid $1½ to $8⅜—it omitted the third quarter cash dividend, and expects to report a loss for the period.

General Motors lost $1⅛ to $46¼, **Atlantic Richfield** $2¼ to $102⅜, **A. E. Staley** $2⅜ to $55⅛, **Dow Chemical** $2⅝ to $86⅜, **Burroughs** $2⅞ to $87⅜, and **Polaroid** $1⅜ to $31⅛.

Utah International, lost another $2¼ to $52¼—it expects a new Australian Export Duty on coking coal to cost a subsidiary about *$12m. over the balance of fiscal* 1975 ending October 31.

However, **Gable Industries** climbed $1⅜ to $8⅜—two of its large shareholders agreed to sell *their stock to* ***Flintkote*** *for $15 a* share. Gable also reported lower fourth quarter profits. Flintkote were off $⅝ at $19.

Zapata fell $1⅜ to $13½—a *director was charged by the* Securities and Exchange Commission with insider-trading violations in the company's shares.

Iowa Beef Processors declined $1¼ to $23 *on little change in third* fiscal quarter net.

The American SE Market Value Index dropped 1.75 to 83.24, with declines outnumbering advances by 577 to 99.

Syntex, the most active issue, were down $⅛ to $29⅛ on 145,100 shares.

Also active were **Westates Petroleum**, up $⅝ at $10⅛, **Research Cottrell**, down $2⅛ to $13⅜, **Gearhart-Owen**, off $1¼ to $29⅞, and **Aegis**, off $⅞ to $16.

Canada again lower

Canadian Stock Markets continued to decline yesterday.

The Western Oils Index fell 5.52 to 183.75. Industrials lost 1.73 to 184.18, Base Metals eased 0.52 to 76.72, Utilities *dipped 1.04 to* 126.91 and Papers shed 0.91 to 108.80. But Golds advanced 7.33 to 358.55 and Banks firmed 0.13 to 269.62.

Bank of Montreal eased $¼ to $16⅜, despite improved earnings. **Ford Motor Canada lost $1½ to $79¾, Great West Life Assurance declined $1½ to $52½ and Vulcan Industrial Packaging fell $1¼ to $11½.**

OTHER MARKETS

PARIS—Prices slipped back in dull trading, following Wall Street's poor overnight performance.

Motors, however, improved slightly, but all other sectors ended mostly lower.

Despite the downward trend, some issues managed gains, notably **Saint Louis, Cem, Labinal and Signaux.**

Heaviest losers included **Bancaire, CCF, Radar, Dumez, LMT,** ***Peugeot, Roussel and Oreal.***

The Foreign sector also experienced a general decline. Exceptions to the rule were **Basf, Ericsson, East Rand and President Brand.**

BRUSSELS—Slightly lower.

Electricals and non-Ferrous Metals were little changed, but Steels declined with **Cockerill** slipping Frs. 26 to 1,036.

Chemicals were also weaker, but *Holdings remained firm* with **Monsana** moving ahead Frs.10 to 712.

Petrols declined. **Petrofina** gave way Frs.90 to 5,320 and **Zaire** shed Frs.4 to 141.

Dutch issues were lower. **Akzo** slipped Frs.16 to 546. West Germans were also off, with **Siemens** dipping Frs.60 to 4,160. Among South Africans, **Zandpan** eased Frs.3 to 247.

U.S. companies also lost ground. **ITT** declined Frs.16 to 796, **IBM** Frs.160 to 7,240 and **Westinghouse** Frs.22 to 612.

AMSTERDAM—Market fell over a broad front following Wall Street's overnight fall, with Dutch Internationals the hardest hit, apart from marginally higher **Hoogovens**. *Small offerings sufficed to sharply depress values in* a thin market in the absence of favourable news.

Banks and Insurances led declines *elsewhere. Algemene Bank* **Nederland** fell Fls.7 to 327 and **Amsterdam Rotterdam Bank** dipped Fls.0.80 to 73.5.

Local Industrials and Transportations were also generally lower Shippings were mixed.

State Loans firmed.

GERMANY—Lower in lively turnover.

In Motors, **Daimler-Benz** lost Frs.5 to 306, **VW** were off DM2.90 at 109.10 and **BMW** dipped DM2 to 223.50. In Department Stores *Karstadt fell DM7.50 to 421. In* Electricals **Siemens** dropped DM5 to 266.50, while **AEG** slipped DM1.80 to 76.50.

Demag, a Machinery Maker, dropped *DM7* at 157. **GHH** lost DM3 to 185.

The Bond Market was quiet in anticipation of results of the German Central Capital Market Committee meeting in Wiesbaden. It was announced after the trading session that new issues of Domestic and External Deutsche Mark Bonds, as well as private placements of External Bonds, would remain effectively prohibited for the time being.

Deutsche Bundesbank bought DM4m. worth of Public sector *issues to support prices.*

MILAN—Irregularly higher in quieter trading. Insurances, however, were easier.

Bonds were fairly steady in thin *trading.*

SWITZERLAND—Prices dropped in dull trading.

In Banks, **Union Bank** slipped Frs.20 to 2,940 and **Credit Bank** fell Frs.60 to 2,770. Among Insurances, **Winterthur** were down Frs.20 to 1,690 and **Zurich Insurance** Frs.100 to 9,500.

Among Engineerings, **Brown Boveri Bearer** were active and declined Frs.30 to 1,315. Stores were little changed.

State Bonds moved slightly higher.

In the Foreign sector, actively traded Dollar stocks weakened slightly, Dutch Internationals were slightly easier, while Germans were barely steady.

HONG KONG—Mostly lower.

Hong Kong Bank dropped 20 cents to $HK14.90, **Hong Kong Land** 15 cents to 6.30, **Hutchison** 6 cents to 1.61, **Jardine** 40 cents to 21.30, **Hong Kong Electric** 5 cents to 3.35, **Hong Kong Gas** 40 cents to $HK15, **China Light** 10 cents to 14.40, **Hong Kong Telephone** 30 cents to 16.20, **Hong Kong and Kowloon Wharf** 30 cents to 10.50 and **Hong Kong Dock** 10 cents to 5.45.

TOKYO—Sharply lower on growing fears that results of many domestic companies will be worse than generally expected. Volume 100m. (same) shares.

Light Electricals, Motors, Constructions, Shippings, Housings, Pharmaceuticals, Minings, Machineries, Ceramics, Real Estates, Chemicals, Textiles and Steels were all lower.

AUSTRALIA—Coals, depressed by the Export Levy imposed in the Budget, led a general retreat in share prices in quiet trading.

Leading coal exporters **Utah**, at $A7.60, and **Thiess**, at $A2.38, fell 50 and 22 cents respentively. **Coal and Allied** dropped 28 cents to $A2.20 but **Bellambi Coal** tended higher.

In other Minings, **Pancontinental** dipped 16 cents to $A5.84.

BHP gave way 16 cents to $A117.12.

JOHANNESBURG—Gold shares were firm, reflecting the higher gold fix in London.

Financial Minings were *little* changed, with the exception of New Wits, which gained 10 cents to R2.80.

Pound firmer

Sterling improved again in the foreign exchange market yesterday, recording gains against most *major currencies* and in terms of the U.S. dollar. Sentiment over the U.S. unit may have been affected by possible trouble from dockers over further grain sales to the USSR, and growing friction between the U.S. and USSR over Portugal. Anticipation of renewed selling of the dollar in New York also caused an initial weakening of the currency, but when this failed to happen the unit improved by the close to its best levels of the day against most *Continental currencies.*

The pound opened at $2.1210-2.1220 and with the early weakness of the dollar improved to touch $2.1260-2.1270, before easing back *in line with other currencies* to $2.1170-2.1180. At the close the pound had made further gains to $2.1205-2.1215, compared with $2.1173-2.1183 previously.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) improved to 27.5 per cent. from the previous 27.7 per cent., *after standing* at 27.5 per cent. at noon and 27.6 per cent. in early dealings. The dollar's trade-weighted average depreciation against 14 currencies since the *Washington Agreement* narrowed slightly to 2.63 per cent., from 2.64 per cent. previously. This is calculated by Morgan Guaranty of New York, on noon rates. Sterling's depreciation on a similar basis narrowed to 33.21 per cent., from 33.46 per cent.

Gold closed $1¼ higher at $162½-$163½. *The krugerrand for* domestic delivery ended at $170¼-$171⅜ (£80½-81), against the previous $170-171½ (£80½-81).

EXCHANGE CROSS-RATES

Aug. 20	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.5630-45	58.90-5905	6.71-72	5.433-439	97.60-65	95.75-85
N. York	38.97-99	—	22.95-98	2.619-621	2.1175-1184	38.01-05	37.40-43
Paris	169.475-875	4.3312-3412	—	11.381-406	9.210-234	166.46-86	162.36-76
Brussels	14.87-98	38.13-18	8.77-82	—	80.93-81.26	14.53-62	14.25-34
London	5.431½-44½	2.1205-15	9.21½-22½	80.85-81.05	—	5.57½-58½	5.66½-67½
Am'erdam	102.47-62	2.6172-95	60.385-445	6.8765-8815	5.6665-5715	—	98.145-195
Zurich	104.19-.31	2.6735-60	61.39-45	7.0125-0200	5.686-692	101.61-72	—

U.S. $ in Montreal. U.S.$ = 103.70-72 Canadian cents.

EURO-CURRENCY INTEREST RATES

Longer-term Eurodollar deposits: two years 9¼-9 per cent.; three years 9¼-9½ per cent.; four years 9½-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¾-6 per cent.; three months 7¾-7½ per cent.; six months 8¼-8 per cent.; one year 8¾-8½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days notice for guilders and Swiss francs.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Industrial	Util.	Trading volume† 000's
Aug. 20	67.80	154.68	793.26	78.40	18,630
19	67.76	156.47	808.51	77.46	14,990
18	68.07	156.60	822.75	78.09	10,810
15	68.18	158.25	825.64	77.88	10,610
14	68.27	156.57	817.04	77.26	12,460
13	68.26	156.87	820.66	77.84	12,000
12	68.28	157.46	828.54	78.38	14,610
11	68.25	156.59	823.76	78.28	12,350
8	68.25	156.63	817.74	78.67	11,660
7	68.28	156.63	816.79	78.64	12,390
6	68.24	156.71	815.67	78.48	16,280
5	68.31	156.79	810.15	78.57	16,470
4	68.57	157.98	818.05	79.05	12,620
1	68.64	160.40	826.50	79.63	13,390
July 31	68.61	161.83	831.51	79.50	14,540
30	68.82	161.26	831.66	79.34	16,150
29	68.66	159.29	824.86	79.60	19,000
1975 High	69.92 (4/4)	174.12 (6/6)	881.81 (15/7)	87.87 (24/6)	—
Low	66.18 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (8/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 15	Aug. 8	Aug. 16 1974
4.67	4.75	5.15

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug 20	Aug 19	Aug 18	Aug 15	Aug 14
51.24 (15/7)	37.06 (2/1)	44.30	45.23	45.94	46.02	45.64

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,801	190	1,291	320

	Aug 20	Aug 19	Aug 18	Aug 15	Aug 14
New Highs	2	6	7	7	5
" Lows	50	28	18	16	23

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug 20	Aug 19	Aug 18	Aug 15	Aug 14
96.80 (16/7)	62.20 (2/1)	83.24	84.99	85.12	86.16	85.65
Volume (000's)		1,940	1,610	1,220	1,520	1,510

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 20	93.36	83.22
19	95.35	84.95
18	96.77	86.20
15	96.93	86.36
14	96.11	85.69
13	96.49	85.97
12	97.88	87.12
11	97.22	86.53
8	96.56	86.02

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 14	Aug. 7	July 31
On Dividends	7.57	7.51	7.53
On Earnings	14.12	14.05	14.15

SYDNEY ALL ORD. INDEX

Aug. 20	Aug. 19	High 1975	Low 1975
361.00	365.19	383.55 (4/6)	289.88 (9/1)

OVERSEAS SHARE INFORMATION

AMSTERDAM

Aug. 20	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	102	—1.5	18	3.5
Akzo (Fl.20)	35.3	—0.7	20	11.3
Algem Bnk(Fl100)	327	—7	20	6.7
AMAS NV (Fl.10)	11.8	......	10	8.7
AMEV (Fl.20)	56.5	—1.5	30	10.6
Amro Bank (Fl.20)	73.5	—0.8	20	5.4
VanBerkels(Fl.50)	117	—2	15	6.4
Bijenkorf(Fl.20)	84	—1	21	5.0
Boks Westm.Fl.10	112	—2.3	52	4.6
Bubrm-Tetterode	61.8	—0.7	28	7.4
Elsevier (Fl.20)	460	—5	24	1.0
EnniaN.V.Bearer	118	—1	—	—
EuroComTst Fl.10	57	......	50.4	6.5
Gist Brocade Fl.10	60.5	+0.7	25	3.8
Heineken (Fl.25)	161	—2.3	14	2.5
Helma Hlds.(Fl.10)	37.1	—0.7	18	4.9
Holland Fund	693	—6	15	2.2
Hoogovens (Fl.20)	52.4	+0.2	26	9.9
H'ntaDouglasFl50	18.6	+0.1	11	5.9
I.H.C. Holland	39.5	......	6	1.2
K.L.M. (Fl.100)	55.1	—0.5	—	—
Int. Muller (Fl.20)	50.1	—0.2	24	9.6
Naarden (Fl.10)	55	—2	20	3.6
Nat. Ned Ins'rance	81.8	—1.3	38.2	4.3
NedCredBk(Fl.20)	44.1	—0.5	16	7.3
NedMidBk(Fl50)	143.5	—2.3	15	5.2
Nedo (Fl.50)	71	—0.7	10	7.0
Nijverdal T. Cate	54	......	6	10.6
OGB. (Fl.20)	175	—1.5	28	3.2
Van Ommeren	265.5	—2.5	20	7.5
Pakhoed (Fl.20)	147.8	—0.3	21½	2.5
Philips (Fl.10)	23.7	—0.6	18	7.6
RijnSchVerFl.100	203	—1	18	8.8
Robeco(Fl.50)	179.8	—3.2	25.2	7.0
Rolinco (Fl.50)	127	—3	4	1.6
Rorento (Fl.50)	111.2	—0.1	10	9.0
RoyalDutch(Fl20)	95.6	—1.7	40	8.4
Slavenburg's Bnk	272	—4	17	6.3
Tokyo Pac Hlgs$1	FL.75.5	—0.5	88.2	1.7
Unilever (Fl.20)	118.8	—1.9	36½	6.9
VMF	174	—4	13.6	7.7

AUSTRALIA

Aug. 20	Aust. $	+ or —
Acrow Australia	†0.60	......
Adelaide Brig'ton Cem't 50c	†0.80	+0.03
Allied Mafg.Trdg. Indus $1	†1.35	—0.05
Ampol Exploration	†0.65	—0.03
Ampol Petroleum	†0.41	—0.01
Assoc. Minerals	†2.50	......
Assoc. Pulp Paper $1	†0.79	......
Aust. Con Industries	†1.20	+0.01
Aust. Foundation Invest	†0.72	......
A.N.I.	†0.80	......
Aust. Oil & Gas	†0.08	......
Blue Metal Ind.	†0.68	......
Bougainville Copper	†0.90	—0.01
Broken Hill Proprietary	†7.12	—0.16
BH. South	†1.65	—0.02
Carlton United Brewery	†1.85	—0.01
G. J. Coles	†1.12	—0.01
CSR ($1)	†4.05	—0.10
Cons. Gold Fields Aust.	†2.85	—0.05
Container ($1)	†1.25	—0.05
Conzinc Riotinto	†2.06	—0.09
Costain Australia (25c)	†0.87	—0.03
Dunlop Rubber ($1)	†0.73	+0.02
ESCOR	†0.81	......
Elder Smith Gold M ($1)	†1.60	......
E.Z. Industries	†2.20	—0.05
F. & T. (25c)	†0.51	—0.01
Gen. Property Trust	†1.04	......
Gollin	†0.65	—0.05
Hamersley	†1.57	—0.05
Hooker	†1.02	......
I.C.I. Australia	†1.36	......
I.A.C. Holdings	†0.78	—0.01
Inter-Copper	†0.38	......
Jennings Industries	†1.0	......
Jones (David)	†0.97	—0.05
Metals Exploration	†0.40	......
MIM Holdings	†2.00	—0.10
Myer Emporium	†1.49	......
News	†1.00	—0.05
Nicholas International	†0.54	......
North Broken Hill	†1.12	—0.04

FARMING AND RAW MATERIALS

Record rice production forecast

WASHINGTON, August 20.

WORLD RICE production for the 1975/76 season just started will be a record, topping last season's previous high by 4 or 5 per cent., according to a preliminary estimate by the U.S. Department of Agriculture, reports Reuter.

Total production of rough (paddy) rice is put at 339m. tonnes compared with an *estimated* 324.4m. in the season just ended. Most of the increase is expected to occur in Asia, where good moisture conditions and improving technology are likely to boost output by over 15m. tonnes.

In India, the Department expects production to rise by 6-7m. tonnes to around 66m., while Thailand is expected to produce 3.8m. tonnes, exceeding last year's record by 300,000 tonnes. Peace-time conditions, plus favourable weather should also result in significantly larger crops in Vietnam and Cambodia, the USDA says.

Half the forecast of 1m. tonnes increase in production outside Asia is attributed to the U.S., where larger acreage is expected to boost output to nearly 5.7m. tonnes from 5.2m. last year.

Zambian supply threat lifts copper market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES moved up to new 10-month highs on the London Metal Exchange yesterday, following news of the threat to Zambian supplies as a result of the decision to stop using the Benguela railway for copper shipments.

But the rise in prices—copper cash wirebars gained £6.75 to £622 a tonne—was surprisingly muted in view of Zambia's position as a major world exporter of copper and a dominant supplier of refined copper to Europe.

It was noticeable that the main buying demand—and later profit-taking—came from speculators. Consumer interest was described by one dealer as negligible.

So far, it is understood, Zambia has not declared force majeure on copper deliveries to its customers, although this now seems a virtual certainty in view of the importance of the Benguela Railway to Zambian copper exports and the delays already experienced in shipments, notably from Lobito Port.

Emergency talks are being held to work out a new export policy but the alternatives are limited unless shipments through Rhodesia are resumed.

It is estimated that Zambian copper exports via the Benguela Railway have been running at the rate of 30,000 tonnes a month recently, reflecting partly the difficulties in Lobito in handling bigger quantities and the cut in Zambian mine output forced by production problems, including limitations of imports of materials required by the mines.

At the same time Zaire has been shipping some 10,000 tonnes on the Benguela Railway, although Zaire also exports via Beira in Mozambique passing through Rhodesia—a route not open to Zambia for the moment at least.

Soared

In normal times the cutback in Zambian supplies, and the likelihood of any greater decline in deliveries, would have caused a substantial rise in copper prices by forcing consumers to come to the open market to replace copper obtained from Zambia under direct yearly supply contracts.

But at present consumers do not appear to be unduly worried, in view of the huge surplus of supplies still available from other sources. Stocks in the LME warehouses in Britain and Europe alone have soared to an all-time peak of 363,800 tonnes, after rising for 23 weeks in succession.

At the same time there are substantial surplus stocks held by Japanese smelters. Altogether it is estimated that world stocks of copper are over 1m. tonnes, despite the cutback in output by major producers throughout the world. Zambian production last year was 650,000 tonnes, but output is running at a lower rate this year.

Although there are hopes of a revival in demand for copper in the U.S. and Japan, consumer buying interest remains extremely sluggish and it was suggested yesterday that some customers might even welcome a reduction in Zambian deliveries.

Nevertheless the copper market is delicately poised. Prices have moved up steadily in recent weeks, reflecting the fall in the value of sterling, some Chinese buying, and the much-publicised long-term "investment" buying by speculators.

The problems surrounding Zambian copper production can only hasten the reduction of the world surplus and a move to much higher price levels in the future.

Fighting in Angola, Page 7

Court halts U.S. grain loading ban

HOUSTON, August 20.

LONGSHOREMEN have resumed loading a Yugoslav ship with wheat sold to the USSR, in response to a Federal Court order, reports Reuter.

The federal district court in Galveston, which issued the temporary order yesterday, was to begin hearing arguments to-day on whether to issue a permanent injunction against the longshoremen.

The suit was filed against the International Longshoremen's Association (ILA) by the West Gulf Maritime Association after the dockworkers stopped loading the ship Bosanka on Monday. It charges the ILA with violating its contract with the association by refusing to load the vessel.

U.S. Agriculture Department officials have reaffirmed that their current estimate of total grain production in the USSR this year is still 180m. tonnes.

In reassessing world production of wheat and feed grains yesterday the Department estimated Soviet 1975 production of wheat at 85m. tonnes and feed grains at 80m.

Officials note, however, those estimates exclude an estimated 15m. tonnes of miscellaneous grains and pulses which are included in the total grain production estimate.

The USDA has reduced its estimate of world grain stocks for next year by almost 8m. tonnes to 103.3m.

● Poland has bought at least 1m. tonnes wheat over the past week, according to export sources in New York.

U.K. TIMBER EXPORTS

Anger at Russian sales tactics

BY A CORRESPONDENT

THE U.K. softwood trade has witnessed some unprecedented manoeuvring by the Soviet Union during the last few months.

Exportles, the Soviet state selling organisation for softwood and plywood, normally places its softwood on the U.K. market in large bites — the quantity and timing depending upon the receptiveness of buyers. On average its share of U.K. softwood imports is around 20 per cent. (in 1974 it was down a little, supplying 1,290,000 cubic metres out of a total import of 8,282,000 cu. m.).

The market for 1975 wood was late in opening and it became obvious by March that if the Russians wished to maintain their normal share of a market reckoned to be reduced to 5-6m. cu. m. for this year, the Russians would have to offer some inducement to tempt an importing trade that was still well stocked and not all that anxious to buy.

Gesture

When the offer appeared at the end of the first week in March, prices were down by about 20 per cent. on average, which was reckoned about right at the time, but the big inducement for buyers was the inclusion in contracts of a clause which protected buyers against any fall in prices *in any subsequent offer from* Exportles.

The offer went well and something over 500,000 cubic metres were sold. Having made the opening gesture there was no doubt that Exportles was hoping that the normal run of trading would begin with the Swedes, Finns and Canadians, that prices might even rise a little, and would so enable Exportles to come back with a second offer to bring their total sales to around the million mark. But nothing happened—the U.K. importers were unconvinced that the market had bottomed and continued to sit on the hands that should have been signing contracts with exporters.

When June came, the Russians had to make another major decision. If they were to sell any more wood for this year they had to make a move for time was running out for making up cargoes and arranging shipping in the ice-free months.

Prices of the Scandinavian exporters had dropped since March (a rough comparison would show that mid-Swedish *carcassing was selling at £46-£47* a cubic metre against £53 for fourths in the Russian schedule). The straight forward approach would have been for the Russians to come out with a second offer and rely upon realistic pricing to sell their wood: but this would have triggered the price fall clause which had been part of the first offer and any importer who decided *not to buy on the second offer* would have got something for nothing—a principle abhorrent to the Russians in any field.

Exporters decided to solve its dilemma by resorting to what has always been a feature of its trading—quantity discounts. In normal times the smaller buyers grumble about these, but accept them as a fact of commercial life, but when the Russians approached the handful of large importers offering them more wood at first offer prices but at discounts for quantity, they were furious.

They would be put at a serious commercial disadvantage by a manoeuvre which they saw only as a rather unethical means of avoiding paying out under the clause.

The U.K. timber importing trade is close-knit and in-grown; nothing remains a secret for very long—certainly nothing of the size of the Russian deals and so it would be naive to suppose that Exportles thought it would get away undetected, rather they just under-estimated the strength of the reaction from the medium and smaller importers.

For weeks all was turmoil, there were even threats of litigation and of with-holding payment for timber bought on the first offer. The Timber Trade Federation, which normally stands aloof from all market place disputes, was constrained to intervene.

In the end the result was compromise. On the last day of July a letter was sent out by the Russians to the small and medium importers (those that had bought up to 30,000 cu m. on the first offer) proposing that they should get a bonus of £3 per cu. m. on their total purchase if they bought a minimum of 20 per cent. extra on their first purchase. (The importer who had bought, say, 1,000 cu. m. in March now had to buy another 200 and would receive £3,600 bonus.)

It has been estimated that if all the importers concerned buy their 20 per cent., the result *will be that the Russians will sell* under 50,000 cu. m. more wood, so this is no sales ploy: it is a commercial olive branch, and the small and medium importers appreciate the gesture and reckon that amends have been made.

The ones that come off worse from the whole deal are the companies at the bottom end of the "large" category, their quantity discount is smaller than the giants' and now the gap beneath them has been closed.

Bargain

Where does all this leave the market as a whole? We can say that the U.K. importers now have under 650,000 cu. metres left to buy this year and in spite of cut backs in production, there is plenty of softwood in the exporting countries.

The Scandinavians are now back from their summer holidays and are surveying large stocks at the mills. If their banks should insist that some of this would be turned into cash, then there may be some bargain offers in the next month or two, but 2-3 per cent. should be the extent of any fall.

On the U.K. re-sale market the housing picture is brighter and there are reports that roof trusses are in better demand. Importers' stocks are reducing and liquidity is improving. Timber trade chairmen, while guarding against a repeat of last year's over-optimism, are permitting the encouraging sentence or two to emerge in their annual reports.

Brazil blocks whale catch agreement

TOKYO, August 20.

BRAZIL PREVENTED whaling countries reaching an agreement on distribution of the catch quotas for sei and minke whales in the southern hemisphere at talks here, Japanese Fishery Agency officials said.

Delegates from Brazil, South Africa, Japan and the Soviet Union had discussed each country's catch quota at the talks which began last week. The talks followed the recent International Whaling Commission meeting in London, where catch limits were set at 3,230 head for sei and 6,810 for minke whales.

The officials said South Africa, Japan and the Soviet Union had agreed on national quotas set on the basis of their past catches, but Brazil sought larger allotments, especially for minke whales, for which she was *offered a quota of 642 head.* Brazil is reported to be seeking a minke quota of about 1,000 head. Reuter

Long term cocoa prospects

BY OUR COMMODITIES EDITOR

A RISE in cocoa production that could well mean a surplus situation developing in the early 1980s is forecast in a study of the world cocoa economy released yesterday by the International Cocoa Organisation in London.

The study sees the Ivory Coast emerging as the biggest single cocoa producing country by 1984-85, moving ahead of Ghana with Brazil not far behind.

It predicts Ivory Coast output will accelerate from 230,000 tonnes in 1974-75 to 370,000 tonnes in 1979-80 and 500,000 tonnes by 1984-85. Brazilian production is seen as jumping from 210,000 in 1974-75 to 280,000 tonnes in 1979-80 and 440,000 tonnes in 1984-85.

In contrast Ghana output is expected to advance from 410,000 tonnes in 1974/75 to only 480,000 tonnes by 1984/85. World production as a whole is predicted as rising from 1,510,000 tonnes in *1974/75 by 19 per cent. to* 1,790,000 tonnes in 1979/80 and 28 per cent. to 2,300,000 tonnes in 1984/85.

The bigger advance in output in the early 1980s is explained by the fact that trees, planted in the mid-1970s, will not make a significant impact on overall production levels until 1984/85.

The production estimates in the study are based on detailed surveys of the major producing countries. But they assume normal weather conditions, no major new problems from crop disease or pests, and sufficiently remunerative cocoa prices to provide incentives for the continuation of current development programmes and the implementation of new programmes.

Because of time limitations the consumption estimates are based on an econometric analysis of past trends, without a more detailed assessment of prospects in the main consuming countries.

World consumption is estimated to rise from 1,520,000 tonnes this year to 1,950,000 *tonnes in 1979-80 assuming a* price of 30 cents a lb.; 1,790,000 tonnes at 50 cents; and 1,675,000 tonnes at 70 cents.

In other words supply and demand would be in balance at the 50 cents a lb. forecast rate. The price is based on the value of the dollar in January 1975, and the study assumes that with an inflation rate of 7 per cent. per annum, the equilibrium price would be 70 cents measured in 1979-80 dollars.

Consumption in 1984-85 is calculated at 2,170,000 tonnes with a price of 30 cents a lb (January 1975 dollar rate); 1,990,000 tonnes at 50 cents; and 1,865,000 tonnes at 70 cents.

With cocoa production in 1984/85 estimated at 2,300,000 tonnes this means there would be a surplus of 130,000 tonnes even at the lowest price and 310,000 tonnes at the 50 cents level.

The study notes that although the results are based on many assumptions that may not prove to be valid, "the prospects of the substantial increases in supply in the 1980s do suggest the need for early measures to *ensure the development of new* markets to avoid any need to check the expansion of the industry."

Move to boost potato acreage

By Our Commodities Staff

THE POTATO Marketing Board announced yesterday it is taking steps aimed at ensuring an adequate U.K. crop next year with a reallotment of basic quotas.

Registered producers are to be alloted basic planting quotas 5 per cent. above their average plantings over the past three years (excluding excess acreage). Apart from raising the acreage planted this formula is aimed at favouring the producer who has regularly produced his quota.

The Board estimates this level of quota will secure the planting by registered producers of 482,000 acres, as determined by the Government after discussions with the Board and the National Farmers' Union. It intends to *make a more liberal allocation* of basic acreage this year in response to applications received.

Good crop of dessert apples forecast

A GOOD crop of top quality Cox's Orange Pippins is expected when harvesting starts in three weeks, but the Bramley apple and pear crops will be smaller than last year.

The Ministry of Agriculture estimates the total crop of dessert apples will be about 233,000 tons, compared with 207,400 tons last year.

Bramley cooking apples are likely to be scarce and dear, as the crop at 97,000 tons is 31,000 tons down, even on last year's poor harvest. The pear crop will be only 27,000 tons against 50,200 last year, the Ministry predicts.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Higher again on the London Metal Exchange. News that the Benguela Railway in Angola has been closed since last Sunday caused a fresh rise in values and prompted renewed speculative and influential demand. A fair amount of profit-taking was also reported which resulted in values moving within narrow limits after the initial upward movement. Forward metal traded up to £646 before closing at £644 on the afternoon Kerb. Copper from both Zambia and Zaire are exported via the Benguela Railway to the Angolan port of Lobito which is also understood to be at a standstill owing to the political unrest in the country. Turnover 13,325 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	621.5-2	+8	621.5-2.5	+8.75
3 months	643.5-4	+8.5	644.5-5	+7.5
Settlem'nt	622	+8	—	......
Cathodes				
Cash	607.5-8.5	+7.75	607-9	+6.5
3 months	629-30	+8.5	629-31	+6.5
Settlem'nt	608.5	+8	—	......
U.S. Smt.	—	......	*63-63.7	......

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £622, 22.5, 22, 21.5: mid-Sept. £643; three months £644, 44.5, 45, 44.5, 44, 43.5, 44, 43, 44, 45.5. Cathodes: Cash £607, 08; three months £631. Kerb: Bars: Three months £644, 44.5, 44. Afternoon: Wirebars: Cash £623, 22: three months £645, 46, 45, 45.5, 45, 44.5, 45. Kerb: Bars: Three months £643, 43, 43, 43.5, 44.

TIN—Lower. Prices eased afresh reflecting the further fall in the Penang market overnight and freer offerings of metal with the size of the contango also dampening interest here. Forward metal ended at £3,240. Turnover 575 tonnes.

Morning: Standard: Cash £3,185, 88, 87; three months £3,255, 50, 45, 50, 48, 45. Kerb: Standard and High Grade untraded. Afternoon: Standard: Cash £3,183: early-Oct. £3,215, 18; three months £3,247, 45, 47, 42, 41. Kerb: Standard: Three months £3,240, 41, 42. High Grade untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3186-8	—19	3183-5	—25.5
3 months	3244-6	—25	3241-5	—23
S'ment	3188	—19	—	......
Standard				
Cash	3186-8	—19	3183-5	—25.5
3 months	3244-6	—25	3241-5	—23
S'ment	3188	—19	—	......
Straits E.	†$1000	—10	—	......
New York	—	......	359	......

LEAD—Up on balance but below the day's highest. Forward metal touched £200 for the first time since early April in pre-market trading but the early gains were later pared by profit-taking and trade selling. Turnover 7,200 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	188.25-.5	—.375	189-.5	+.75
3 months	197-.5	—1.5	197.5-8	+.375
S'ment	188.5	—.5	—	......
N.Y. Spot	—	......	19-22½	......

Morning: Cash £188.75, 88.25; three months £199, 98.5, 97.5, 97. Kerb: Three months £197.5. Afternoon: Three months £199, 98.5, 98.

ZINC—Firmer. As with lead, prices were higher in early trading reflecting the rise in copper but later eased owing to profit-taking. Turnover 3,325 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	356-.5	—5.25	358-.5	+.75
3 months	369-70	—2.5	370.75-1.25	+.25
S'ment	356.5	—3.5	—	......
Prm. West	—	......	*381½-9	......

Morning: Cash £360, 57; three months £373 to 69. Afternoon: Cash £358; three months £370, 70.5, 71, 70, 70.5, 71. Kerb: Three months £370.5, 70.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 2.25p higher for spot delivery in the London bullion market yesterday at 228.25p. U.S. cent equivalents of the fixing levels were: Spot 484.9c. (476.8c.); three-month 495.3c. (487.4c.), six-month 507.1c. (499.2c.): and 12-month 530.1c. (519.5c.). The metal opened at 230-231p (488-490½c.), and after touching a high point of 494-498c. in active trading, eased back to close at the opening level of 230-231p (488-490½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	228.25p	+2.25	231.35p	+4.25
3 months	235.15p	+2.15	238.35p	+3.9
6 months	242.9p	+2.2	—	......
7 months	—		249p	+4.0
12 months	258.2p	+3.2	—	......

LME—Turnover 131 (19) lots of 10,000 ozs. Morning: Three months 236, 36.5, 37, 36.8, 36.7. Kerbs. Three months 236.3, 6.5. Afternoon: Three months 239.5, 40, 39.7, 39, 39.7, 39.8, 39.5, 39.3, 39.2, 39, 38.8, 39.7, 38.5. Kerbs: Three months 238, 38.2, 38.6, 38.7.

COCOA

Prices continued easier with renewed commission house selling in thin conditions closing at the days low, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4 Contract			
September	600.0-04.0	—28.5	630.0-600.0
December	568.0-69.0	—18.0	590.0-67.0
March	561.0-61.5	—15.5	580.0-60.0
May	558.0-53.0	—18.0	571.0-58.0
July	552.0-53.5	—15.5	567.0-50.0
September	550.0-54.0	—15.0	—
December	550.0-65.0	—8.0	567.0

Sales: 2,067 (2,849) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 53.56 (54.02) U.S. cents per pound; Indicator 15-day average 55.04 (55.18); 22-day average 55.93 (56.97).

FREIGHTS

OIL TANKERS—Again a good volume of inquiry from major charterers but few fixtures. Flota arranged another ship, a 140,000-tonner, on September 4 from Persian Gulf to Brazil at Worldscale 29—one point higher than a similar fixture by Flota on Tuesday—and remains in the market for further tonnage. There was also an unconfirmed report of a fixture of a 120,000-tonner from Persian Gulf to the East in late-August at W.30. There are also rumours that Exxon is preparing a big chartering programme for September before the expected Arab increase on crude oil prices in October.

DRY CARGO—A steadier tendency was felt, but chartering was on a sharply reduced scale partly due to owners' reluctance to accept current levels. Grain bookings included 25,000 long tons from the U.S./Gulf to the Netherlands at $100,000 f.i.o. for Aug.-Sept. and a cargo from the U.S./Gulf to Stavanger and Trondheim at $5.45 free discharge for Aug.-Sept. A cargo of barley was also covered Great Lakes Antwerp/Hamburg range at $12.50 f.i.o. completing St. Lawrence $6.40 f.i.o. Aug.-Sept. A cargo of barley Churchill Poland paid $9.50 f.i.o. Sept. Miscellaneous chartering included coal Philadelphia and Newport to Bilbao at $4.35 free discharge Aug. and ore Puerto Ordaz Valencia and Seville at $5.75 f.i.o. Aug. Time-charterers continued to show interest in periods of trading and fixed a vessel of 42,785 long dwt. for two years at $3.50, delivery Continent Sept., and a vessel of 30,345 long dwt. for 17 to 19 months at $4,700 daily delivery Mediterranean Aug.-Sept.

COFFEE

Robusta terminal traded comparatively narrowly during afternoon dealings with local selling and profit-taking meeting some speculative buying interest. At the close prices were £2.5 to £7 higher on balance.

Arabicas closed 10 points higher to 85 lower.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	780.0-82.0	+7.0	785.0-74.0
November	784.0-85.0	+6.5	788.5-78.0
January	791.5-92.0	+5.25	795.0-82.0
March	793.5-94.0	+2.25	798.0-88.0
May	799.0-800.0	+4.0	802.0-792.0
July	799.0-800.0	+3.0	802.0-799.0
Sept.	802.0-04.0	+2.5	805.0-04.0

Sales: 860 (1,262) lots of 5 tonnes.

Latest published ICO indicator prices. U.S. cents a pound. Colombian Mild Arabicas 101.50 (101.00). Other Mild Arabicas 85.00 (84.63). Unwashed Arabicas Santos Fours 96.75 (97.50). Robustas 77.75 (77.25). Daily average 88.92 (89.19).

ARABICA CONTRACT (in order buyer, seller, business, sales)—Aug. 97.00-97.40, nil, nil: Oct. 93.70-93.90, 93.90-93.70, five: Dec. 94.80-96.10, 94.90-94.20, 29: Feb. 95.00-95.20, 95.20-95.00, 15: April 95.75-96.25, 96.00, five: June 96.50-97.25, nil, nil; Aug. 96.00-99.00, nil, nil. Sales: 54.

RUBBER

UNCHANGED opening in the London physical market. Quiet throughout the day, closing slightly steadier. Lewis and Peat reported a Malaysian godown price of 149 cents a kilo (buyer, September).

No. R.S.S.	Yesterday's close	Previous day's close	Business done
Sep.	56.00-57.00	55.00-57.00	—
Oct.	56.90-57.10	56.25-57.25	—
Oct.-Dc.	57.00-57.15	56.65-57.00	57.10-57.00
Jan.-Mr.	58.20-58.25	57.90-58.00	58.20-57.90
Ap-Jun.	59.35-59.40	59.30-59.55	59.55-59.50
Jy-Sept.	40.50-40.45	40.15-40.25	40.25-40.20
Oct-Dec	41.50-41.40	41.50-41.20	41.50-41.15
Jan-Mr.	41.90-42.00	41.75-41.90	41.80
Ap-Jun.	42.20-42.60	42.10-42.30	—

Sales: 115 (85) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.0p (same); Sept. 32.1p (32p); Oct. 33.6p (33.75p).

SOYABEAN MEAL

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
August	88.0-95.0	+6.5	91.0-89.5
October	92.5-92.7	+3.55	92.9-91.9
December	95.4-95.5	+3.55	95.7-92.0
February	96.5-96.0	+3.85	96.7-94.0
April	98.4-96.5	+5.25	96.6-95.5
June	97.4-98.4	+3.8	—
August	98.0-99.0	+5.0	—

Sales: 67 (118) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar). £235 (£217) a ton c.i.f. for Aug.-Sept. shipment. White sugar daily price was fixed at £225 (£220) a ton.

The market initially dropped by approximately 500 points but then recovered, although the mid-day close was some 250 points below the morning's best levels, C. Czarnikow reports. Prices then held in a narrow range until the later part of the afternoon when fresh selling once again produced an easier tone and the market traded at the lower end of the day's range by the close.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	220.00-21.00	215.00-14.00	227.00-15.00
Dec.	216.00-17.00	212.00-12.50	224.00-11.25
March	215.50-14.50	206.50-08.00	220.00-08.00
May	209.50-10.00	205.50-04.00	215.50-05.50
Aug.	205.00-07.00	200.00-02.50	211.00-01.50
Oct.	205.00-06.00	202.00-02.50	208.00-07.00
Dec.	209.00-04.00	202.00-02.50	208.00

Sales: 3,508 (4,799) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £228.60 (same) a long ton for home trade and £310 (£302) a long ton for export.

EEC DAILY EXPORT LEVIES — (Effective for Aug. 21 in units of account per 100 kilos with previous in brackets): White 7.36 (6.46). Raw 11.09 (9.78).

WOOL FUTURES

LONDON—Market unchanged to a shade easier in quiet trading, Bache reports.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
October	160.0-68.0	......	—
December	164.0-70.0	—0.5	—
March	173.0-76.0	—2.0	175.0
May	176.0-78.0	—1.25	—
July	177.5-82.0	—1.25	—
October	186.0-89.0	......	—
December	190.0-93.0	—0.5	191.0
March	191.5-97.5	—0.5	—

Sales: 14 (1) lots of 1,500 kilos.

SYDNEY GREASY — Oct. 350.0-250.5, 252.1-250.0, 85: Dec. 257.6-258.0, 259.0-256.8, 80; March 262.7-262.9, 263.0-262.0, 55: May 265.5-265.9, 266.9-265.5, 33: July 267.5-268.0, 268.5-267.5, 15: Oct. 269.0-269.5, 266.5-268.5, 1: Dec. 278.0-279.2, 269.0-269.0, 1. Sales: 250.

GRAINS

THE BALTIC—Interest in imported grains remains subdued with prices generally showing small irregular movements.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., Nov. £101.40, Dec. £101.80 direct Tilbury: EEC Feed Aug. £63, Sept. £63.50 East Coast.

Maize—No. 3 Yellow American/French Aug. £69.25, Sept. £69.65, Oct. £69.60, Nov. £70 East Coast.

Barley—EEC Feed Aug. £62.50, Sept. £62.75 East Coast.

MARK LANE—Domestic grains developed a firmer undertone in sympathy with a dearer trend in Chicago. Milling wheat met a limited off-take in Liverpool at £85.50 per long ton for September delivery. Moderate activity in denaturable quality wheat included Oct.-Dec. in Liverpool at £66.50 and Sept.-Dec. in Avonmouth at £65.75 and £66. Meanwhile, feed barely changed hands at £62 for September delivery in the Midlands and at £64.50 for Oct.-Dec. in Liverpool. The following are average sellers quotations per long ton for delivery London area. Wheat hagberg Sept. £63.75 to £64 Oct.-Dec. £67, denaturable Sept. £62, Oct.-Dec. £65.25, barley feed unquoted.

HGCA—Location *ex-farm* spot prices: Soft milling wheat—Hertford £58.60. Feed wheat—Hertford £56.45. Feed barley—Hertford £59.90, Borders (West) £53.25. The U.K. monetary coefficient for this week is expected to remain unchanged at 1.103.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. £63.35, Nov. £65.90, Jan. £67.90, March £69.40, May £70.80. Business: Sept. £63.40-£62.70, Nov. £65.90-£65.00, Jan. £68.10-£67.10, March £69.65-£69.10, May £70.80-£70.50. Barley, steady. Close: Sept. £62.95, Nov. £65.00, Jan. £66.75, March £68.30, May £69.55. Business: Sept. £63.15-£62.70, Nov. £65.25-£64.90, Jan. £67.09-£66.70, March £68.30, May £69.50.

EEC DAILY IMPORT LEVIES effective for August 21 (in order: current levy, plus Sept., Oct., and Nov. premiums, with previous in brackets) in Units of Account per tonne: Soft wheat and mixed wheat and rye—10.75, rest nil (13.90, rest nil): Hard wheat—All nil: Rye—25.24, rest nil (26.08, rest 0.79): Barley—All nil: Oats—Nil, rest 0.79 (0.60, rest 0.59): Maize (other than hybrid for seeding)—3.71, 4.34, 4.34, 5.53 (5.29, 4.74, 4.74, 6.31); Buckwheat—17.31, rest nil (all same); Millet—4.88, 0.79, 0.79, nil (6.26, rest nil); Grain sorghum—12.57, rest nil (all same). Also effective for the following flours: Wheat or mixed wheat and rye—33.79 (38.20); Rye—54.10 (55.20).

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 28.0 to 32.0; English hindquarters, heavy 37.0 to 38.0; Eire hindquarters 36.0 to 38.0, forequarters 19.0 to 20.0.

Veal: English fats 38.0 to 40.0, special quality 42.0; Scottish bobbies 6.0 to 9.0; Dutch hinds and ends 56.0 to 62.0.

Lamb: English small 28.0 to 32.0, medium 27.0 to 30.0, heavy 25.0 to 28.0; Scottish medium 27.0 to 30.0, heavy 25.0 to 29.0, hill 26.0 to 30.0, special quality 32.0; Imported frozen: New Zealand D's 29.0 to 29.5, 2's 26.0 to 28.5, 8's 26.0 to 27.0, YL's 26.5 to 27.0.

Ewes: 9.0 to 11.0.

Pork: English, under 100 lbs 26.0 to 32.0, 100-120 lbs 26.0 to 31.0, 120-160 lbs 25.0 to 26.5, 160-180 lbs 24.5 to 26.0.

MEAT COMMISSION—Average fatstock *prices at representative markets on* August 20: U.K.—Cattle £17.80 per live cwt. (+0.64), sheep 31.5p per lb.e.d.c.w. (+3.6), pigs £4.22 per sc.l.w. (+0.33). England and Wales—Cattle numbers up 27.0 per cent., average price £18.17 (+0.98); sheep up 25.4 per cent., 32.3p (+3.9); pigs up 14.6 per cent., £4.22 (+0.34). Scotland—Cattle up 0.3 per cent., average price £17.75 (—0.19); sheep up 73.4 per cent., 27.5p (+1.7); pigs up 14.3 per cent., £4.73 (—0.07).

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Brazilian: 2.20-2.30; South African: 2.45-2.90; Californian: 2.70-3.20. Grapefruit—Californian: 48 4.30; Argentine: 4.80-5.50. Lemons—Italian: 6.50; South African: 3.80-6.50. Apples—French: per 20 lbs Golden Delicious 72 2.50-3.00. Pears—Italian: per pound Williams 0.11-0.12. Bananas—Windward Islands: per 28 lbs 2.70; Jamaican: 2.60. Grapes—Cypriot: per 18 lbs Sultana 2.70, 12 lbs 1.60; Italian: per approx. 8 lbs Regina 1.70-2.00. Peaches—Italian: per 1½-trays 2.20-2.70. Plums—Spanish: Santa Rosa 3 1.60, 4 2.10, 5 2.20; Italian: per pound Stanley 0.16, Giant Prunes 0.11-0.12; Hungarian: per 13 lbs Switzen 2.00. Greengages—Spanish: 3 2.10, 4 2.30, 5 2.60. Tomatoes—Guernsey: 0.70; Jersey: 0.70. Onions—Spanish: 2.50. Melons—Spanish: 1.60-2.40. Courgettes—Jersey: 1.00.

English produce: Lettuce—Per 12 round 1.00, cos 1.20. Cucumbers—Per tray 12 1.40, 14 1.40, 16 1.30, 18 1.00, 20 0.80. Potatoes—Per 56 lbs 3.00-3.10. Celery—Per 20/24 1.20. Cabbages—Per bag, Primo 1.30. Marrows—Per 16 0.60. Cauliflowers—Per 12 1.40. Mushrooms—Per pound 0.40. Beetroot—Per 12 lbs 1.20. Tomatoes—Per 12 lbs 0.50-0.60. Runner Beans—Per pound 0.04. Onions—Per 56 lbs 2.40-2.50. Apples—Per pound Grenadiers 0.04-0.05, Bramleys 0.08-0.10, James Grieves 0.09, Discovery 0.15, Tydeman's Early Worcester 0.14. Courgettes—Per 12 lbs 0.50-0.60. Carrots—Per 28 lbs 0.70-0.90.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Sept.-Oct. shipment: BWB £195, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods easier. Quotations c. and f. U.K. for Aug. shipment: 10-oz. 40-inch £6.63, 7½-oz. £5.23 per 100 yards. Sept. £6.94 and £5.34, Oct.-Dec. £7.23 and £5.52. "B" twills £21.73, £21.05 and £22.17 for the respective shipment periods. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White C grade Aug.-Sept. £195. D grade Aug.-Sept. £188. A long ton.

CALCUTTA—Quiet. Indian Aug.-Oct. Rs.455 value. Dundee Daisee Aug.-Oct. Rs.415 value. A bale of 400 lbs.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 30 tonnes, bringing the total for the week to 248 tonnes, F. W. Tattersall reports. Only minor transactions were arranged, mostly on autumn delivery accounts. Spinners did not wish to anticipate their needs apart from specialist qualities in Latin American and certain African growths.

★

GRIMSBY FISH—Supply good, demand good. Prices per stone at ship's side: Shelf cod £1.70-£3.20, codlings £1.50-£2.00; Large haddocks £2.60, medium £2.00-£2.40, small £1.60-£1.90; Large plaice £3.40, medium £3.40, small £2.80; Skinned dogfish £4.60, medium £3.50; Coalfish £0.85-£0.95; Rockfish £1.00-£1.30; Lemon soles £4.00-£4.50; Reds £0.50-£1.00.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 20 1975	+ or —	Month ago
Metals			
Aluminium (u)	£396	....	£396
Free Market cif	£340-360	....	£310-325
Copper§			
Cash Wire Bars (u)	£622	+6.75	£573.5
3 month do. do. (u)	£644.75	+7.5	£592.25
Cash Cathode (u)	£608	+6.5	£551.5
3 months do. (u)	£630	+6.5	£580
Gold ......Troy oz.	$162.875	+1.0	$165.5
Lead Cash (u)	£189.25	+0.75	£170.25
3 months (u)	£197.75	+0.375	£176.75
Nickel (u)	£1,992.6	....	£1,958
Free market cif (lb)	$1.75-.85	....	$1.75-.90
Platinum(b)troy oz.	£81-85½	....	£72-76½
Free Market	£81	+1.4	£75.25
Quicksilver (76lb)(c)	$111-116	+1.5	$110-115
Silver Troy oz.	228.25p	+2.25	217p
3 months	235.15p	+2.15	222.7p
Tin Cash (u) §	£3,184	—25.5	£3,102.5
3 months (u)	£3,243	—25	£3,124
Wolfram 22.04lb.cif	£40½-42½	....	£38½-8½
Zinc Cash (u) §	£358.25	+0.75	£324.5
3 months (u)	£371	+0.25	£328.875
Producers (a)	£360	....	£360
Oils			
Coconut Malayan	‡	....	£178*
Groundnut			
6%	£462	....	£392
Linseed Crude (a)	£452	....	£422
Palm Malayan (q)	£215	....	£178
Soyabean (a)	‡	....	‡
Seeds			
Copra Philipp ton	$232.5	—10	$230
Gr'nuts Nigerian	£182	....	‡
Linseed Can. No. 1	£180.5	....	£167.5
Grains			
Barley EEC	£62.5	—1.0	£57.25
Homes Futures	£62.95	+0.1	£56.9
Maize			
French No.3 Am.	£69.25	+0.5	£58
S.A. Yellow	‡	....	£69
Wheat			
No. 1 Red Spring	‡	....	‡
No. 2 Hard Winter	‡	....	‡
Australian (f.a.q.)	‡	....	‡
English Milling	£65.5	....	£59.75
Cocoa Shipment (u)	£603.5	—16.5	£753.5
Futures Dec	£568.5	—18.25	£648.5
Coffee Shipment (c)	72		‡
Futures Nov. (Ulb)	£784.5	+6.5	£714-75
Cotton 'A' Index cent	55.8	—0.05	54.3
Jute LJABWC (d)	£195	....	£195
Rubber ....kilo	35p	....	34.25p
Sisal EA3L (u)	$600	....	$600*
Sugar (Raw)	£225	+8.0	£190
Wooltops 64s ....kilo	195p	....	188p
Clove (Madagaskar)	£2,550	....	£2,550
Pepper White ....ton	£900	....	£890
Black ....ton	£700	....	£690

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. *b* U.K. and Commonwealth refined. *c* Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. *d* Bangladesh white "C." ‡ Unquoted. *a* Seller's quotation. *h* November. Aug.-Sept. *u* Metric tons. *r* September. *p* Aug.-Oct. *s* July-Aug. *t* Nov. *q* May-June. *w* Nov.-Jan.

FINANCIAL TIMES

Aug. 20	Aug. 19	Month ago	Year ago
186.81	185.82	173.26	205.83

(Base: July 1, 1952=100)

REUTER'S

Aug. 20	Aug. 19	Month ago	Year ago
1187.5	1186.9	1115.6	1262.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 20	Aug. 19	Month ago	Year ago
Spot	333.28	330.75	303.65	366.51
Futures	316.62	316.40	287.81	341.47

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 20	Aug. 19	Month ago	Year ago
Sple Comm'ty	817.4	811.4	766.1	945.2

(Dec. 31, 1931=100)

COPRA—Philippines: Aug. and Sept. $232½, Oct. $236, Nov. $237½ resellers per tonne c.i.f. North European ports.

U.S. Markets

Sugar, cocoa down, copper up

NEW YORK, August 20.

SILVER closed lower on long liquidation. Copper advanced on reports of a Zambian force majeure on shipments from war-torn Angola. Trade selling activating commission house stops forced both sugar and cocoa to close limit down to sharply lower. Chicago grains failed to hold limit up gains but still managed to close higher across the board on exporter buying.

Cocoa—Ghana spot 77½ (79½). Bahia spot 59½ (61½). Sept. 55.85 (60.55), Dec. 52.20 (59.10), March 49.50, May 49.35, July 47.35, Sept. 46.45, Dec. 45.50 settlements. Sales: 2,377.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 85.70-86.00 asked (86.17). Nov. 85.50 (85.60). Dec. 85.10, March 84.45-84.50, May 84.50-85.00 asked, July 85.10-85.60 asked. Sales: 198.

Copper—Aug. 60.90 (60.10), Sept. 61.10 (60.30), Oct. 61.70, Dec. 63.00 settlements. Sales: 2,477.

Cotton—Oct. 51.73 (51.83), Dec. 52.15-52.25 (52.35), March 52.90, May 53.60, July 54.18-54.20 asked, Oct. 54.45-54.55 asked, Dec. 54.72-54.75 asked. Sales: 2,850.

ΦGold—Aug. 162.60 (161.90), Sept. 163.40 (162.50), Oct. 164.40, Dec. 167.10, Feb. 170.00, April 173.00, June 176.10, Aug. 179.10, Oct. 182.10, Dec. 185.10. Sales: 963.

Greasewool—Spot 153.5 nom. (same), Oct. 153.5-157.0 asked (155.0), Dec. 154.0-157.0 asked (155.5), March 153.5-155.5 asked, May 152.5-160.0 asked, July 151.0-161.5 asked, Oct. 150.0 bid, Dec. 150.0 bid.

†Lard—Chicago loose 37 (same). NY prime steam 38½ nom. (same).

††Maize—Sept. 326½-328 (319½), Dec. 326-327 (318½), March 333-334½, May 337½-338½, July 339.

‡Platinum—Oct. 178.40 (173.50), Jan. 181.30 (177.90), April 186.50, July 190.50 bid, Oct. 193.00 bid, Jan. 199.70 bid. Sales: 851.

‡‡Silver—Spot 489.00 (477.00), Aug. 486.00 (459.80), Sept. 487.10 (491.10), Oct. 491.70, Dec. 501.00, Jan. 505.50, March 514.60, May 523.10, July 531.40, Sept. 539.70, Dec. 552.10. Sales: 7,575.

***Soyabeans**—Aug. 642 (628), Sept. 626-627 (625½), Nov. 637-638, Jan. 644-646, March 653, May 660-661, July 665, Aug. 665.

bSoyabean Meal—Aug. 167.00-169.00 asked (165.00), Sept. 154.00-154.50 (151.30), Oct. 156.00-157.00, Dec. 162.00-162.50, Jan. 164.00-164.50, March 166.00-169.00 asked.

Soyabean Oil—Aug. 28.20-28.30 (27.70), Sept. 26.30-26.25 (26.40), Oct. 25.30-25.35, Dec. 24.45-24.35, Jan. 24.05, March 24.00, May 23.60, July 23.50, Aug. 23.25.

Sugar—Spot 20.00 (same)—Sept. 19.40-19.25 (20.29), Oct. 18.90-18.85 (19.85), Jan. 16.29 nom., March 16.00-17.89, May 17.70-17.60, July 17.40 nom., Sept. 17.25 nom., Oct. 17.10 nom. Sales: 7,183.

Tin—319.00-401.00 (363.00).

****Wheat**—Sept. 438-440 (425½), Dec. 457-459 (441½), March 470-470½, May 473, July 457.

WINNIPEG, August 20. **††Rye**—Oct. 342½ bid (332½), Dec. 319 bid (308), May 322 bid, July 320 bid.

cOats—Oct. 179½ (177½), Dec. 165 (167½ asked), May 170 asked.

§Barley—Oct. 275 (270 bid), Dec. 262 (250½ asked), May 265 asked.

dFlaxseed—Oct. 865 (845), Nov. 850 asked (825 bid), Dec. 821 bid, May 816 asked, July 760 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 566 (556½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. *b* New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. *b* Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. *d* Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Equity leaders ease on mild bout of profit-taking

Index down 2.3 at 300.7—Tube Inv. a late good feature

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With sentiment unsettled by the overnight setback on Wall Street, equity markets encountered a modest amount of profit-taking yesterday. Closing levels, however, were above the worst, and the FT 30-share index, which recorded a loss of 3.6 at 3 a.m., ended only a net 2.3 down at 300.7. An encouraging statement on second-half prospects prompted a late jump of 14 to 232p in Tube Investments and a sympathetic improvement in GKN and was mainly responsible for the "after-hours" rally.

Fears of further increases in U.S. interest rates continued to overshadow British Funds, but there was very little selling in this sector and closing losses were limited to ⅜ after showing earlier losses to ½. The Government Securities index lost 0.24 to 60.60.

Gilts slip back

Overall it was another slack day's trading—official markings of 4,707 compared with 4,480 on Wednesday and 4,185 a week ago—and a fairly lengthy list of company trading statements produced little in the way of features. Sectorwise, Oil shares were noteworthy for some fairly sharp falls following the overnight reaction on Wall Street. The FT-Actuaries index for the subsection gave up 2.4 per cent. to 282.45. Falls led rises by 2-1 in FT-quoted Industrials.

Modest losses in medium/long Gilt-edged reflected dealers' efforts to find a trading level rather than any pressure to sell. The shorts, too, gave ground as recent interest dwindled, this suggesting that the reinvestment of funds received from the Savings 3 per cent., 1965-75, redemption may have run its course. The falls at this end of the market extended to ⅜, although Exchequer 5 per cent., 1976-78, in ex-dividend form, gained 1/16 to 87 5/16, after 87½. Longer maturities were down as much as ¾ at one stage but, on faint hopes that Mr. Wilson would give in his TV broadcast details of public expenditure cuts, the losses were finally reduced to ⅜ or less. Other factors such as the latest index of weekly wage rates had no impact.

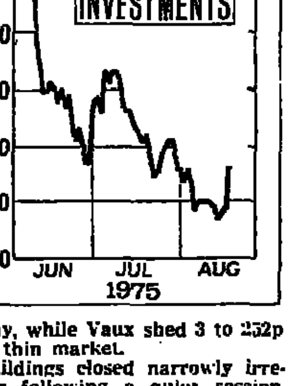
Interest was sufficiently well balanced in the investment currency market to keep rates around recent levels, thus the close was only ¼ higher at 95¾ per cent., after having momentarily traded at 96¾ per cent. Yesterday's SE conversion factor was 0.6239 (0.6297).

"Royals" up again

Press comment on the first-half figures helped "Royals" to continue firmly and the shares hardened 2 more to 274p. Other Composites were generally quietly firm with Sun Alliance (interim due September 3) a similar amount dearer at 385p. General Accident hardened a penny to 143p, but Commercial Union shed that much to 138p. Among Lloyds brokers, Alexander Howden eased 4 to 112p as did Leslie and Godwin to 92p.

Encouraged by the recent firm performance of gilt-edged, Discounts took a general turn for the better yesterday as fresh buying in a thin market left gains that stretched to 10. Allen Harvey and Ross were that much better at 310p, while gains of 8 were seen in Cater Ryder, 223p, and Gillett Bros., 153p. Alexanders added 5 to 185p as did Smith St. Aubyn to 55p. The big four Banks lacked support and cheapened accordingly. Lloyds lost 5 to 193p and Midland gave up 2 to 243p as did National Westminster to 203p. In Merchant banks, Slater Walker ran back 2 to 60p following Press comment on the half-year results. UDT, 17p, held steady awaiting to-day's preliminary results in Hire Purchases.

Very little interest was shown in Breweries, which closed easier for choice. Allied, 62p and Arthur Guinness, 107p, both receded a penny, while Vaux shed 3 to 252p in a thin market.



Buildings closed narrowly irregular following a quiet session. A. V. Jennings, at 95p, gave up 3 of the previous day's rise of 8. Crouch Group eased 3 to 24p on the reduced earnings. Awaiting to-day's interim figures, London Brick held at 48p. Vibroplant, still on the results, hardened 2 more to 92p.

ICI closed 3 easier at 255p, after 254p. Albright and Wilson gave up 2 at 58p and Fisons retreated 6 to 336p.

F. W. Woolworth moved into the spotlight in Stores, hardening a penny to 47p in the course of a good turnover on the better-than-expected interim figures. Burton Group "A" were also a penny better at 39p, but "Gussies" "A," 164p, and Marks and Spencer, 98p, lost 2 apiece. British Home Stores were sold down to 289p, a loss of 6. Among secondary issues, Dixon's Photographic "A" put on 1 to 35p on the profits statement announced with the "rights" issue proposal. Satisfactory preliminary figures raised A. and J. Gelfer 2 to 28p, while Lee Cooper finished 5 to the good at 55p following the chairman's statement. Cornell Dresses, however, closed a shade easier at 10p on the first-half profits setback. W. and E. Turner held at 15p in Shoes following the interim report.

Electrical leaders attracted very little business and adopted a downward drift before partially recovering later. GEC were finally 3 cheaper at 118p, after 116p, BICC 2 easier at 101p, and EMI a penny off at 176p, after 174p. Reyrolle Parsons shed 1½ to 39p and Philips' Lamp, on Amsterdam advices, recorded a loss of 14 at 686p, but Plessey, against the trend, firmed a penny to 69p. Among secondary issues, Racal Electronics came back 6 to 156p in a thin market and Newman Industries reacted 2 to 29p. On the other hand, Allied Insulators improved a penny to 15p in reflection of the increased half-year profits, while Pye Holdings closed similarly harder at 49p, also on interim figures.

The reassurance about second-half prospects, which were once considered very doubtful, provided the key for a strong late advance in Tube Investments, finally 14 higher at 232p; the interim figures were exactly in line with market expectations. Part of this strength spilled over into GKN, 2 up at 208p, after 202p, and Hawker, which regained an early loss of 4 to end unchanged on balance at 260p. Elsewhere, Weir moved up 2 to 53p on the large overseas contract and Peter Brotherhood, despite lower profits, gained 4 more to 57p. Press comment on a recent broker's circular caused Senior to improve 1 to 15½p, but Tom Martin closed 1½ down at 41½p, after initially reacting to 39p following news of the first-half setback.

Foods moved into reverse. British Sugar reacted 7 to 323p, while Lockwoods, 50p, and Cavenham, 128p, shed 3 apiece. Brooke Bond lost 2 at 35p as did Squirrel Horn at 14p. F. J. Wallis failed to draw any strength from the increased interim dividend and higher first-half profits, closing a penny cheaper at 69p. Other dull spots included Freshbake, 1½ off at 9p, and H. Vincent, 5 easier at 70p.

Apart from Hanover Grand, a penny harder at 8p to match the cash offer terms from Kirkstar Securities, Hotels and Caterers had an easier bias. Ladbroke closed 3 cheaper at 138p and J. Lyons "A" 5 off at 127p.

Central Mfg. retreat

Miscellaneous Industrial leaders slipped back further on a dribble of small sales, but ended a little above the day's worst with losses limited to 5, as in Glaxo, 338p, after 335p. Unilever, 362p, after 360p, and Reckitt and Colman, 292p, after 290p, both finished 4 easier, while Beecham shed 3 to 277p. However, Pilkington were finally 3 better at 230p. Elsewhere, Central Manufacturing retreated sharply to close 11 down at 54p, after 53p, as recent speculators were taken aback by the company's bid for LCP instead of the latter emerging as the bidder. LCP, on the other hand, advanced 7 to 53p, against the current value of the offer of 56½p. The poor interim results left Associated Sprayers 3 down at a low for the year of 15p, while their respective half-time profit setbacks brought Ofrex down 5 to 50p and Ferro Metal and Chemical back 2 to 50p. Among Overseas issues, Broken Hill Proprietary receded 30 to 670p, reflecting the disappointing Australian Budget, but the South African Rennies Consolidated, still on the increased profits, improved 3 more to 283p.

After the recent speculative rise, British Leyland eased 2½ to 52p. R. Stockfis were marked down 10 to 90p on the first-half profits setback. Dealings were resumed yesterday in Fodens, the Ordinary opened at 10p and closed at 12p (against a pre-suspension price of 14p) following a good turnover, while the new nil-paid 10 per cent. Convertible Redeemable Cumulative Preference opened and closed at ½p premium. The final report of the Price Commission on Motor Fuel Retailers' failed to disturb Garages. Heron Motor, still reflecting trading news, hardened a penny further to a 1975 peak of 32p.

Richard Clay were responsive to the impressive first-half results and closed 5 up at 28p. Paper/Printings were otherwise rarely altered although John Waddington "B" hardened 2 to 79p on a mid-week investment recommendation. Elsewhere, much improved annual figures gave Wilson Bros. a nudge forward to 14p, up 1.

Property leaders were inclined to follow Tuesday's pattern of easing a shade at first in thin trading, before picking up late on renewed buying interest. Land Securities finished 2 better on balance at 142p, after 139p, while the nil-paid 10 per cent. Convertible put on 2 points late to £3½ premium. MEPC ended a penny better at 77p, after 75p, while Amalgamated Investment were finally unaltered at 26p, after 25p. Town and City Properties held steady at 17p awaiting to-morrow's annual results. British Land, however, after Tuesday's fractional improvement on the preliminary statement, came back a penny to 17½p on lack of interest. Elsewhere, Churchbury Estates relinquished 7 to 125p on fading bid hopes. Bernard Sunley found support and moved up 7 to 132p.

Oil leaders react

A lull in the recent demand for the Oil leaders signalled a fairly swift reaction. British Petroleum, additionally, had to contend with Wall Street trends and finally lost 12 to 503p, after 500p. Shell were also more freely offered and fell to 316p before a close of 318p, a net loss of 8, while Ultramar gave up 4 at 188p. News of good first-half trading lifted Anglo-Ecuadorian 1 to 32p and, despite the interim loss which was apparently anticipated, IOL Petroleum held at 65p. Among other Australians, Associated regained 3 to 108p, but Woodside-Burmah eased that much to 78p. In the Canadian section, Pan Ocean fell 30 to 750p.

Small losses were the order of the day in Overseas Traders. S. Hoffnung, a recent dull market, closed 2 easier at 73p following the sharp setback in second-half profits. Agar Cross finished similarly cheaper at 11p, while declines of 3 occurred in Lonrho, 111p, and Anglo-Thai, 100p. Harrisons and Crosfield receded 12 more to 875p.

Shippings closed mixed after a slack trade. Felixstowe Dock improved 3 more to 74p and Hunting Gibson gained 7 to 157p. Furness Withy, however, declined 7 to 213p, after 212p, following profit-taking, while P & O Deferred lacked support and shaded ½ to 80½p.

Trusts and Financials displayed an easier bias. Alliance, 162p, and Second British Assets, 122p, both lost 4, while Dalgety shed 2 to 170p. Challenge Corporation eased a penny to 109p; the results are due next Wednesday.

Textiles traded quietly and closed mixed. Sporadic profit-taking accounted for the fall of 4 to 115p in Courtaulds, while Bear Brand shaded ½ to 3½p on the loss. Hollas, on the other hand, firmed 3 to 25p.

Profit-taking brought about a fall of 7 to 268p in Bats, while Imps receded 1 to 65p.

The planned reconstruction and change of domicile to Malaysia attracted buyers to Kulim, which hardened 2½ to 29p. After the previous day's Press-inspired gain of 4, Anglo-Indonesian Plantations edged forward a penny more to 41p. Teas generally closed easier for choice. Consolidated Tea and Lands, 190p, and West Nile, 210p, both cheapened 10.

Australian losses

Further consideration of the Australian Budget which showed no sign of any improvement in the Federal Government's attitude towards the Mining industry caused fresh weakness in the shares of that country's mineral producers and seekers.

Coal stocks were steadier after the previous day's setback which had followed the coal export levy news. But Thiess eased 5 to 225p while Utah Mining, which tumbled 50 on Tuesday, were unaltered at 725p.

Reflecting the loss for the year to June 30 last Gold Mines of Kalgoorlie fell 20 to a year's low of 95p. Peko-Wallsend were 10 lower at 305p and MIM Holdings gave up 8 at 192p.

Although easier in transatlantic markets overnight, Gold shares here showed a modest response to the rally in the bullion price which ended the day $1.25 higher at $162.875 per ounce. The Gold Mines index rose 1.9 to 350.5.

Financials were quietly mixed. Selection Trust eased 10 to 505p but, on the other hand, De Beers put on 7 to 305p following the improvement in the half-year results. Cape and possibly U.S. offerings were reported in Platinums where Potgietersrust were 8 lower at 230p and Lydenburg 6 off at 140p.

"Tanks" were 4 down at 180p, following news that the Benguela Railway in Angola has been closed since last Sunday owing to political unrest. Of the Zambian copper producers, part of whose production is exported via the railway to the port of Lobito, Roan Consolidated were unaltered at 184p while ZCI hardened to 52p. Minorco gave up 3 at 265p.

The South African copper producer Palabora was 30 to the good at 930p in line with the firm metal price. Tins were untested. Elsewhere, in line with the trend in Canada, Northgate were 7 off at 278p.

FINANCIAL TIMES STOCK INDICES

—	Aug. 20	Aug. 19	Aug. 18	Aug. 15	Aug. 14	Aug. 13	A year ago
Government Secs.	60.60	60.84	60.72	60.31	60.02	60.28	64.29
Fixed Interest	60.46	60.66	60.63	60.42	60.26	60.10	64.09
Industrial Ordinary	300.7	303.0	303.7	292.7	293.1	294.6	209.9
Gold Mines	350.5	346.6	352.6	351.0	353.3	356.6	368.6
Ord. Div. Yld. %	6.88	6.84	6.82	7.06	7.05	7.00	9.41
Earnings Yld. % (full)	19.86	19.75	19.69	20.39	20.33	20.21	25.29
P/E Ratio (net) (a) (b)	7.18	7.22	7.25	7.00	7.03	7.06	5.52
Dealings marked	4,707	4,480	4,152	3,811	3,664	4,185	8,240
Equity turnover £m	—	40.52	59.59	36.18	36.45	44.68	47.34
Equity bargains total	—	10,731	10,900	8,766	10,151	11,325	14,532

10 a.m. 301.6. 11 a.m. 299.5. Noon 298.6. 1 p.m. 299.8. 2 p.m. 299.0. 3 p.m. 299.4.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.14.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (30/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	62.51 (21/3)	50.53 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 20	Aug. 19
Daily—		
Gilt-Edged	234.5	207.1
Industrials	137.8	132.6
Speculative	45.9	45.8
Totals	107.1	102.0
5-day Av'rge		
Gilt-Edged	194.8	175.5
Industrials	124.1	124.0
Speculative	35.5	34.1
Totals	94.7	92.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	EQUITY GROUPS	Wed. Aug. 20 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tues. Aug. 19 Index No.	Monday Aug. 18 Index No.	Friday Aug. 15 Index No.	Thurs. Aug. 14 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	106.61	−0.9	21.48	7.58	6.94	6.93	107.55	107.47	105.13	105.84	76.75	131.26 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	94.78	−0.8	17.91	8.36	8.43	8.43	95.58	95.32	92.44	93.00	75.40	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	182.56	−0.3	19.67	6.00	7.65	7.65	183.07	181.01	175.37	176.48	122.04	251.61 (23/4)	74.74 (6/1)	389.55 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	199.68	−2.1	20.40	5.81	7.20	7.19	203.93	206.51	199.37	201.18	140.90	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	124.76	−1.2	27.35	8.70	5.58	5.58	126.25	126.11	124.00	125.40	91.79	159.79 (22/4)	64.39 (2/1)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (64)	93.02	−0.1	23.26	8.85	6.35	6.35	93.13	92.46	91.62	92.02	64.75	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	38.13	−0.1	20.45	10.81	8.92	8.92	38.17	37.65	37.81	38.17	28.55	48.98 (20/6)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	94.28	−0.8	25.77	8.21	5.80	5.80	95.07	95.28	94.83	95.66	68.78	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	85.19	−0.4	21.72	7.40	6.72	6.71	83.52	83.03	81.94	81.65	61.14	93.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	97.68	−1.1	20.18	5.44	7.33	7.32	98.72	98.37	96.70	95.79	67.70	106.34 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (15)	125.83	−0.1	21.24	8.14	6.85	6.85	125.94	124.96	123.24	123.60	97.79	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	43.81	−0.7	24.85	10.65	5.78	5.75	43.49	43.10	42.87	43.00	34.40	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	123.06	−0.5	16.29	6.86	8.87	8.81	123.70	124.44	120.91	121.65	83.25	146.45 (6/6)	61.98 (6/1)	236.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	139.17	−0.7	14.51	7.51	10.57	10.57	138.19	139.41	135.08	135.36	99.02	163.83 (6/6)	75.68 (6/1)	281.67 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	135.98	+0.4	14.31	7.45	10.54	10.54	135.43	137.21	132.73	132.72	108.11	177.94 (8/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	139.40	−0.3	14.64	7.98	10.59	10.04	139.78	140.79	137.77	138.18	80.40	158.44 (27/6)	55.28 (6/1)	529.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	135.30	−1.3	15.17	5.90	9.06	9.02	137.12	137.30	133.07	133.87	82.50	156.57 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	122.03	−0.7	12.90	5.29	11.30	11.30	122.94	123.89	120.23	120.48	75.95	149.17 (4/6)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	122.40	−1.1	16.77	7.94	9.09	9.09	121.11	118.52	121.76	121.56	98.84	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	83.40	−0.4	26.50	8.62	5.54	5.64	83.72	83.38	81.03	81.71	61.32	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (31)	106.94	−0.2	13.49	6.12	11.26	11.26	107.19	107.90	102.75	104.25	69.89	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	125.62	−0.2	27.68	8.53	4.36	4.26	125.91	126.99	123.31	123.27	97.56	145.07 (27/5)	62.91 (6/1)	253.72 (17/8/66)	62.66 (11/12/74)
23	Tobacco (3)	172.40	−1.7	19.66	7.81	7.74	7.74	175.46	177.24	178.11	178.73	122.14	199.16 (10/3)	109.92 (8/1)	339.16 (2/2/73)	94.34 (13/6/62)
24	Toys and Games (6)	41.56	—	32.96	8.71	4.20	4.20	41.54	41.23	41.02	41.16	31.32	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	159.67	−1.2	21.76	5.74	6.58	6.58	161.56	162.66	158.77	160.18	105.31	189.17 (6/6)	73.14 (6/1)	201.93 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	72.04	−1.4	19.39	7.23	7.15	7.15	73.08	75.40	70.45	70.85	71.98	104.78 (17/4)	45.34 (2/1)	246.06 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	309.36	−1.1	27.77	7.76	4.64	4.49	312.69	313.35	307.65	312.11	251.47	401.84 (10/5)	194.38 (6/1)	517.00 (5/12/73)	90.80 (29/6/62)
28	Miscellaneous (46)	124.43	−0.7	21.67	8.03	6.75	6.74	125.28	124.62	121.89	123.35	92.91	153.58 (6/6)	60.39 (6/1)	258.83 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	119.38	−0.7	19.20	7.00	7.55	7.52	120.25	120.62	117.59	118.39	83.94	143.43 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	282.45	−2.4	26.05	5.37	4.18	3.84	289.33	288.67	284.51	287.41	155.98	296.47 (4/6)	105.85 (2/1)	431.66 (23/5/69)	87.25 (29/6/62)
31	500 SHARE INDEX	132.85	−1.0	20.32	6.73	6.64	6.50	134.19	134.48	131.35	132.32	90.10	156.14 (6/6)	65.49 (6/1)	227.95 (16/8/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	116.59	−0.2	—	6.16	—	—	116.84	116.52	114.02	115.25	85.79	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	136.53	−1.0	21.86	5.87	7.01	7.01	137.95	138.15	133.58	135.29	103.52	177.11 (6/6)	62.56 (2/1)	288.52 (20/7/73)	62.44 (12/12/74)
34	Discount Houses (9)	144.05	+4.2	—	8.40	—	—	138.29	136.19	135.45	135.45	107.40	169.27 (7/5)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	86.34	−1.1	28.90	10.50	4.60	4.22	87.29	84.48	85.39	87.28	88.08	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	102.39	−0.8	—	6.67	—	—	103.22	104.05	101.68	103.00	67.06	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	96.23	+0.5	—	6.87	—	—	95.73	94.77	92.22	93.56	58.46	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	178.26	−1.6	11.42	4.88	13.03	13.03	181.11	181.64	180.37	179.41	113.57	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	78.31	−1.6	—	7.09	—	—	79.56	79.10	78.46	79.56	65.59	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	142.95	+1.2	5.16	4.19	26.50	27.44	141.31	140.99	140.26	140.53	129.36	241.22 (22/4)	88.19 (7/1)	357.40 (8/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	60.92	−0.3	18.57	10.92	7.94	7.86	61.09	60.92	60.58	61.26	58.96	75.78 (25/4)	34.78 (10/1)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	145.17	−0.4	3.42	4.86	29.25	29.24	145.71	143.47	141.99	142.64	98.50	178.53 (6/6)	73.48 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	129.25	−0.8	—	6.51	—	—	130.31	130.33	127.44	128.44	89.06	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	397.94	−1.8	14.14	8.28	10.29	10.21	405.26	404.40	398.19	400.39	305.11	525.43 (23/5)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/6/65)
45	Teas (10)	99.48	−1.9	36.47	10.49	3.83	3.65	101.45	101.45	101.45	101.87	70.62	104.15 (16/7)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	364.93	−1.4	53.81	20.69	1.86	1.86	370.01	368.09	376.34	379.50	370.91	467.74 (27/5)	349.52 (22/7)	567.78 (15/1/73)	94.08 (29/4/62)
47	Mining Finance (11)	121.74	−0.8	10.07	4.34	10.91	10.91	122.77	122.57	122.24	122.98	90.00	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	84.35	+0.1	12.09	9.83	10.65	9.15	84.29	83.98	84.35	85.50	71.35	114.49 (3/6)	68.91 (8/1)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	197.87	−1.4	17.55	5.00	7.29	7.29	200.60	199.53	199.71	201.87	—	252.23 (20/5)	97.37 (6/1)	258.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Wed. Aug. 20 Index No.	Wed. Aug. 20 Yield %	Tues. Aug. 19	Monday Aug. 18	Friday Aug. 15	Thurs. Aug. 14	Wed. Aug. 13	Tuesday Aug. 12	Monday Aug. 11	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.13	14.03	14.02	14.10	14.20	14.09	14.09	14.28	15.81	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.91	13.04	50.22	50.24	50.08	49.88	50.12	50.09	49.37	45.57	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.66	15.40	47.83	47.67	47.52	47.52	47.48	47.48	47.73	42.67	50.68 (21/3)	37.01 (3/1)	113.45 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	46.86	14.76	46.86	46.62	46.55	46.48	46.35	45.98	45.98	40.36	47.30 (29/7)	36.35 (3/1)	114.41 (15/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	66.96	14.05	67.39	67.20	66.90	66.97	66.63	66.63	66.58	54.84	68.02 (6/6)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Base dates and values (Section or Group — Base Date — Base Value): Overseas Traders 31/12/74 100.00; Engineering (Heavy) 31/12/71 153.84; Engineering (General) 31/12/71 153.84; Wines and Spirits 10/1/70 [illegible]; Toys and Games 16/1/70 [illegible]; Office Equipment 31/12/70 [illegible]; Industrial Group 31/12/70 128.20; Miscellaneous Financial [illegible]; Food Manufacturing 29/12/67 114.13; Food Retailing 29/12/67 114.13; Insurance Brokers 29/12/67 96.67; Mining Finance 29/12/67 100.00; All Other 10/4/62 100.00.

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 18p. NAME CHANGE: Reverton Holdings has changed its name to Reverton Chemicals.

ACTIVE STOCKS YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	17	255	−3	302	118
BP	£1	12	503	−12	555	190
Kulim	10p	12	29	+2½	32	17
Shell Transport	25p	11	318	−8	343	118
"Bats"	25p	10	268	−7	338	164
Beecham	25p	9	277	−3	310	116
Howard Mc. 'New'	Nil/pd.	9	5¼*	—	6¼*	¼*
Marks & Spencer	25p	9	98	−2	128	47½
Chubb 'New'	Nil/pd.	8	12*	+½	12*	½*
Imperial Group	25p	8	65	−1	68	32
Midland Bank	£1	8	243	−2	305	122
Courtaulds	25p	7	115	−4	140	53
GEC	25p	7	118	−3	133	51
Grand Met.	50p	7	62	—	69	19½
Natl. Westminster	£1	7	203	−2	273	88

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e). * Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 19	Sep. 1	Nov. 13	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 11	Dec. 23

"Calls" were done in Inveresk Paper, Premier Oil, Lonrho, "Lofs," Amalgamated Investment, National Westminster Bank warrants and Grand Metropolitan. No "puts" were reported, while "doubles" were arranged in Slater Walker, Capital and Counties, Inveresk Paper, Lonrho, Amalgamated Investment and Charterhouse Finance.

Industrials							
A. P. Cement	15	Grand Met.	7	Slater Walker	9	Mines	
Assoc. Leisure	5	G.U.S. 'A'	17	Spillers	5	Anglo Amer.	50
Barclays Bank	25	Guardian	20	Tesco	6	Broken Hill Prp	75
Beecham	28	G.K.N.	22	Thorn "A"	17	Charter Cons.	22
Boots Drug	12	Hawker Sidd.	27	Tube Invest.	24	Chart'rh'll Fin.	10
Bowaters	16	House of Fraser	8	Unilever	35	Cons Gold	22
B.A.T.	30	Hudson (Wilms)	4	Utd. Drapery	10	De Beers Def.	35
British Leyland	7	I.C.I.	21	Vickers	13	F. S. Geduld	350
BOC Int.	5½	"Imps"	7	Woolworths	6	Great Boulder	12
Burton 'A'	9	I.C.L.	7	Property		Hampton Areas	15
Cadburys	6	Inveresk	7	Cap. Counties	4½	Hampton Prop.	4
Courtaulds	12	Legal & General	13	E.P.	8	Kloof	140
Debenhams	8	Lloyds Bank	22	Int. Europe	6	Lonrho	13
Distillers	13	"Lofs"	6	Land Securities	18	Loraine	55
Dunlop	5½	"Mams"	6	Peachey	6	Metals Explor.	8
Eagle Star	13	Marks & Sp'ncer	11	Town & City	4½	Poseidon	55
E.M.I.	17	Midland Bank	25	Town & Comm.	4	Pres. Steyn	275
First National	2	Nat'l West Bank	22	Oils		Rio T. Zinc	20
G.R.A. Trust	4	P & O Dfd.	10	Brit. Petroleum	45	Welkom	55
Gen. Accident	16	Plessey	8	Burma Oil	5	West Areas	75
Gen. Electric	13	R.H.M.	6	Shell	30	Western M'ng	18
Glaxo	40	Rank Org. 'A'	17	Ultramar	21	Zambia Copp.	10
		Reed Int'l	23				

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (9)
BRITISH FUNDS (1): Exchqr. 9pc '76-78
BUILDINGS (3): Fairview Ests. Vibroplant NET
ENGINEERING (1): [illegible]
INDUSTRIALS (1): [illegible]
MOTORS (1): Heron Motor Grp.
SOUTH AFRICANS (1): Abercom
RUBBERS (1): Anglo-Indonesian

NEW LOWS (7)
CANADIANS (1): Peoples Dept. Stores
CHEMICALS (1): Wardle (Bernard)
ENGINEERING (1): Manganese Bronze
MOTORS (1): [illegible]
TRUSTS (1): Challenge Corp.
MINES (2): Rand Leases, Gold Mns. Kalgoorlie

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns., Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	185	343	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	2	5	41
Mines	26	23	104
Recent Issues	14	13	49
Totals	283	616	1,288

DFDS agent for Danish Rail

DFDS (U.K.), the Danish shipping organisation, is to take over the agency of the Danish State Railways (DSB) in Britain from September 1 after the closure of DSB's London office.

DFDS Seaways will issue rail, bus and ferry tickets as well as handle ferry reservations. It will also issue unlimited travel rover tickets.

MONEY MARKET

Adequate credit

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Early indications were that day-to-day credit was in short-supply in the London money market yesterday, but by the close Discount houses had balanced their books without official intervention. Factors against the market's favour were: run-down bank balances from Tuesday, a net market take-up of Treasury bills, commercial bill and local authority bill maturities, and settlement of official gilt-edged sales. On the other hand Government disbursements exceeded revenue payments to the Exchequer, there was further redemption money from Savings 3 per cent., and also a fall in the note circulation.

A rate of 9-9½ per cent. was paid for secured call loans in the early part, and funds were available towards the close at 8-9½ per cent. In the inter-bank market overnight loans began at 9½-9¾ per cent., and after touching 9½-9¾ per cent., eased in late dealings to 4-3 per cent.

Short-term fixed period interest rates reversed their recent downward trend and the one-month sterling certificate yield increased to 10¼-10⅛ per cent., from 10 3/16-10 1/16 per cent., the two-month to 10½-10⅜ per cent., from 10⅞-10 5/16 per cent., and the three-month to 10⅝-10½ per cent., from 10⅝-10 7/16 per cent.

Rates in the table below are nominal in some cases.

Aug 20 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	8-9¾	—	—	—	9½-10½	8-9¾	—	—	—
2 days notice	—	—	9½-9⅞	—	—	—	—	—	—	—
† 7 days or 7 days notice	—	9¾-10	9¾-10	—	—	—	9⅝-9¾	—	—	—
One month	10¼-10⅛	10 1/16-10¼	9⅞-10⅛	10⅞-10¼	10¼-11	—	9⅞-10	10 5/16-10¼	10⅜-10¼	11¼-10⅞
Two months	10½-10⅜	10⅜-10 7/16	—	10¾-10¼	10⅞-11⅛	—	10-10⅛	10⅜-10 7/16	10 9/16	11¼-10⅞
Three months	10⅝-10½	10½-10⅝	10½-10⅝	10¾-10⅛	10¾-11½	—	10 1/16-10¼	10½-10⅜	10½	11¼-11
Six months	11-10⅞	10⅞-11	10¾-11⅛	10¾-10¼	11⅜-12	—	—	—	10⅞-10¾	11½
Nine months	11¼-11	11-11¼	—	11⅛-11	11¼-12¼	—	—	—	—	—
One year	11⅝-11⅛	11⅛-11¼	11½-11⅝	11⅝-11	11½-12½	—	—	—	—	—
Two years	—	—	12½-12⅝	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12¾-13 per cent.; four years 13¼-14 per cent.; five years 13½-14 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent.; four-month trade bills [illegible] per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.; one-month trade bills [illegible] per cent.; two-month [illegible] per cent.; and also three-month [illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association) 10 per cent. from August 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount [illegible] per cent.

BASE LENDING RATES

AFI International	10 %
Allied Irish Banks Ltd.	10 %
Anglo-Portuguese Bank	10½%
Henry Ansbacher	10½%
Banco de Bilbao	10 %
Banco de Jerez	10½%
Bank of Cyprus	10 %
Banque du Rhone S.A.	10½%
Barclays Bank	10 %
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10 %
C. E. Coates	11 %
Consolidated Credits	12 %
Continental Trust Bk.	10 %
Co-operative Bank	*10 %
Copleys Bank	11½%
Corinthian Securities	10 %
Credit Lyonnais	10 %
C. R. Dawes	11 %
Duboff Brothers	11½%
English Transcont.	11 %
First London Secs.	10 %
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	10 %
Grindlays Bank	10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Hawtin & Partners	11 %
■ Hill Samuel	†10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Industrial Bank of Scot.	10 %
Jacobs, Kroll	11 %
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	10 %
London & European	11 %
London Mercantile	11 %
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Northern Comm. Trust	11 %
Norwich General Trust	10½%
Portman Guaranty	11 %
P. S. Refson & Co.	10 %
Rossminster Accept'cs	10 %
Royal Trust Canada	11 %
Schlesinger Limited	10½%
E. S. Schwab	11 %
Security Trust Co. Ltd.	11 %
Shenley Trust	11 %
Standard & Chartered	10 %
Sterling Credit	11 %
Thames Guaranty	11 %
Trade Development Bk.	10 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	10 %
Wallace Brothers Bank	10 %
Whiteaway Laidlaw	11 %
Williams and Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month deposits 8½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 8½%.
§ Demand deposit 7½%.

CORAL INDEX
Close 300-305

I.G. INDEX
GOLD 161½-164½

INSURANCE BASE RATES
† Atlantic Assurance ... 11¼%
Cannon Assurance ... 8½%
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship. £1	400	......	Shiloh Spinn	24	......
Ash Spinning	36	......	Hallam Sleigh 10p	6	......	Sindall (Wm.)	40	......
Bertam	19	......	Higsons Brew	78	......			
Bdg'wtr. Est. 50p	105	......	I.O.M. Stm. £1	120	......	**IRISH**		
Clover Croft	35	......	Holt (Jos.) 25p	178xd	......			
Craig & Rose £1	310	......	Kleen-e-Ze	18	−3	Alliance Gas (£1)	40	......
Dyson (R.A.)	30	......	Lovell's Ship £1	115	......	Carroll (P. J.)	108	......
Ellis & McHdy	58	......	N'thn. Goldsmith	96	......	Clondalkin	51	−2
Evans Fr'k. 10p	36	......	P.M.A.	31	−1	Concrete Prods.	60	......
Evered	10	......	Pearce (C. H.)	60	......	Goodbody (£1)	38	......
Fife Forge	47	......	Peel Mills	16	......	Helton (Hldgs.)	33	......
Finlay Pkg. 5p	16	......	Richards 10p	9	+1	Irish Distillers	62	......
Frost & Reed 50p	85	......	RobbCaledon5p	39	......	Irish Wire	40	......
Gardiner & Sons	11	......	Sayers 12½p	6	......	Jacob	45	......
Gardner (L.)	64	+1	Sheffield Brick	60	......	Sunbeam	7½	......
			Sheff. Refrshmt.	141	......	Unidare	60xd	......

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31 1974, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Insurance Brokers	+144.81	Household Goods	+ 89.18
Entertainment and Catering	+126.18	Industrial Group	+ 88.68
Merchant Banks, Issuing Houses	+125.38	Hire Purchase	+ 87.64
Contracting and Construction	+124.96	Textiles	+ 87.28
Oil	+114.90	Motors and Distributors	+ 86.25
Insurance (Life)	+112.87	Consumer Goods (Non-Durable) Group	+ 86.24
Food Manufacturing	+110.31	Engineering (Heavy)	+ 85.72
Electronics, Radio and TV	+107.70	Toys and Games	+ 80.37
Chemicals	+105.26	Machine Tools	+ 75.90
Food Retailing	+103.37	Packaging and Paper	+ 74.78
Newspapers and Publishing	+100.51	Breweries	+ 69.56
Banks	+100.01	Wines and Spirits	+ 59.67
Insurance (Composite)	+ 99.35	Discount Houses	+ 59.32
Consumer Goods (Durable) Group	+ 97.96	Office Equipment	+ 52.15
Building Materials	+ 97.15	Tobacco	+ 46.94
500 Share Index	+ 96.18	Shipping	+ 45.74
All-Share Index	+ 94.81	Property	+ 43.24
Capital Goods Group	+ 90.03	Rubbers	+ 40.90
Electricals	+ 93.35	Tins	+ 39.48
Engineering (General)	+ 91.08	Mining Finance	+ 39.27
Investment Trusts	+ 90.79	Teas	+ 30.65
Financial Group	+ 90.67	Gold Mines F.T.	− 1.39
Stores	− 89.88	Coppers	− 2.40

* Percentage changes based on Tuesday, August 19, 1975 Indices.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94[illegible]	Exch 6¾pc 1976‡‡	98[illegible] xd	+[illegible]	6.61	9.90
97¼	92[illegible]	Treasury 6½pc 1976‡‡	97xd	–[illegible]	6.70	9.64
99	97	Victory 4pc 1976‡‡	99xd	.....	—	—
102	96⅞	Treasury 10½pc 1976‡‡	99[illegible]	–[illegible]	10.53	10.70
95¼	88⅞	Treasury 6¾pc 1977‡‡	95½	–[illegible]	6.58	9.60
94⅝	86¾	Electric 3pc '74-77	94⅝xd	–¼	3.18	6.86
103[illegible]	96⅞	Treasury 11½pc '77‡‡	100⅝xd	+[illegible]	11.43	11.18
88½	84	Treasury 3pc '77‡‡	88⅛	–⅛	3.40	8.96
90⅛	84⅜	Transport 4pc '72-77	89[illegible]	–[illegible]	4.48	8.66
96[illegible]	90½	Treasury 9pc 1978‡‡	94[illegible] xd	–[illegible]	9.54	11.59
100[illegible]	96[illegible]	Treasury 10½pc '78‡‡	97[illegible]	–[illegible]	10.78	11.59
87½	79	Exchequer 5pc '76-78‡‡	87[illegible] xd	+[illegible]	5.73	8.86
103	94[illegible]	Treasury 11½pc '79‡‡	99¼xd	–[illegible]	11.57	11.79
79⅜	71⅝	Treasury 3pc '79‡‡	78[illegible]xd	.....	3.82	9.49
81[illegible]	73⅝	Electric 4¼pc '74-79	81xd	–[illegible]	5.25	10.02
100[illegible]	94[illegible]	Treasury 10½pc '79‡‡	96[illegible]	–[illegible]	10.93	11.68
79½	71	Electric 3½pc '76-79	79[illegible]	–[illegible]	4.41	9.51
95	84	Treasury 9pc 1980‡‡	90[illegible]xd	–[illegible]	9.90	11.67
95[illegible]	91	Treasury 9½pc '80‡‡	91¼	.....	10.41	11.96
79	68¾	Treasury 3½pc '77-80	76¾	–[illegible]	4.56	9.63
84½	71	Funding 5¼pc '78-80‡‡	82⅝	–⅛	6.35	9.85
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74⅞	–⅛	4.68	9.49
91⅛	72⅝	Do 8¼pc '80-82‡‡	86⅛	–⅛	9.97	11.83
104⅜	85⅝	Treasury 12pc 1983‡‡	97⅜xd	–⅛	12.21	12.37
78	58	Funding 5½pc '82-84‡‡	73⅞	–⅛	7.50	10.32
85¼	61⅜	Treasury 8¼pc '84-86‡‡	81⅜	–⅛	10.57	11.72
73¼	51⅜	Funding 6½pc '85-87‡‡	70⅝	+⅛	9.47	11.41
76¼	53	Treasury 7¾pc '85-88‡‡	72¼	–⅛	10.81	12.22
47¼	32⅞	Transport 3pc '78-88	45½	–¼	5.63	11.12
56⅜	39¼	Treasury 5pc '86-89	55¼	–¼	9.35	11.85
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	70⅝	–¼	11.94	12.99
57⅜	41[illegible]	Funding 5½pc '87-91‡‡	55⅞	–¼	10.71	12.58
94½	94[illegible]	Treasury 12¾pc '92‡‡	94[illegible]	.....	13.58	13.69
97½	85[illegible]	Treasury 12½pc '93‡‡	91[illegible]	–⅜	13.88	14.01
55⅛	40½	Funding 6pc 1993‡‡	50¼xd	–⅜	11.73	13.13
75¼	54⅛	Treasury 9pc '94‡‡	70¼	–¼	13.26	13.78
37⅞	24¾	Gas 3pc '90-95	33⅝	–⅛	9.17	11.94
102	75	Treasury 12¾pc '95‡‡	92¾	–⅜	14.04	14.10

Undated

**INTERNATIONAL BANK

*CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude Inv. $ premium

AMERICANS

S.E. List Premium 60% (based on $2.1227 per £)

CANADIANS

S.E. List Premium 60% (based on $2.0116 per £)
Conversion factor 0.6238 (0.6257)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
46	20	Johnson Clns.	31	—	2.18	1.6	10.8	8.7
345	120	Johnson Mth. £1	240	—	10.23	4.9	6.6	4.8
41	18	Judge Int.	30	—	1.90	3.6	9.7	4.4
27	14½	Kalamazoo 10p	19½	—	1.62	2.7	12.8	4.5
47	20	Kelsey Ind. 12½p	33	—	d2.47	4.7	11.5	2.8
20	9	Kennedy Sm. 10p	15	—	1.44	1.0	14.8	10.1
870	325	Kershaw (A.) 5p	600	−15	12.01	0.7	3.1	101.5
208	66	Kleeman	195	—	3.89	4.1	3.1	12.3
39	15	Kode Int.	32	—	1.23	3.5	5.9	7.3
27½	14	Kwik-Fit (Tabs)	22	—	—	—	—	5.6
59	24	L.C.P. Hlds	53	+7	†2.89	2.5	8.4	7.2
21	11	L.K. Ind. Inv.	19	—	d1.96	1.8	15.9	5.3
30	13½	L.R.C. Int. 10p	23xd	+½	2.0	ϕ	13.4	ϕ
101	56	Lamson Inds	60	—	2.74	2.5	7.1	8.0
40	26	Lawtex	26	—	2.58	4.2	15.3	1.9
118	48	Lead Inds. 50p	92	−1	4.69	5.9	7.8	3.3
40	17	Le Bas (Ed.)	31	—	1.36	6.9	6.9	3.2
38	15	Lebolf Fobel 10p	28½	—	†1.48	4.3	8.0	7.9
43	19	Lebus Harris	28	−2	2.0	0.2	11.0	—
22	12	Leigh (L.) 5p	22	—	0.73	5.8	5.1	5.2
73	35	Leisure Car. 10p	65	−2	4.42	1.7	10.5	8.8
168	59	Lep Group 10p	150	—	2.36	9.4	2.4	5.2
27	12	Lesney Prods. 5p	19	—	0.78	7.0	6.4	2.9
43	13	Letraset 10p	32xd	—	1.28	ϕ	6.0	ϕ
20½	5½	Liden 10p	11½	—	0.17	2.4	2.2	23.2
45	17	Light & Leis. 10p	33	—	g2.36	3.6	11.9	4.0
50	35	Lindsay & Wms.	40	—	3.06	3.6	11.8	3.6
62	28½	Lindustries	43	—	†3.76	3.4	13.4	3.2
51	33	Lipton (L.)	39	—	2.4	3.9	9.5	4.1

[illegible]

INDUSTRIALS—Continued

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr
105	47	Wolstenholme	73	—	6.01	[illegible]
15	11	Wood & Sons 5p	13½	—	0.49	[illegible]
13½	7	Wood (Arthur) 5p	10	—	0.67	[illegible]
13	8	Wood (W.) 10p	10	—	‡0.87	—
99	29	Wood Hall	76	—	†5.03	[illegible]
7¾	4	Yatton Furn. 5p	6½	—	ϕ0.34	ϕ
27½	14	Zetters 5p	18	—	0.89	[illegible]

††INSURANCE

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr
65	30	Brentnall Bd. 10p	55	−5	†2.92	[illegible]
154	60	Britannic 5p	120xd	—	7.0	—
970	440	Comb. Ins. Am. $1	710	—	tQ60c	—
194	72	Comm. Union	138	−1	6.85	—
148	44	Eagle Star	115	—	4.6	—
186	50	Equity & Law 5p	148	+2	5.1	—
174	67	Gen. Accident	143	+1	†5.4	—
224	83	Guardian Royal	175	—	7.75	—
180	54	Hanford Sh'd 10p	180	—	†5.44	[illegible]
232	82	Heath (C.E.) 20p	210	−2	6.1	[illegible]
152	47	Hogg Robinson	114	−2	4.03	ϕ
138	30	Howden (A.) 10p	112	−4	2.17	[illegible]
*142	43½	Legal & Gen. 5p	115	−1	†4.36	—
125	33	Lon. & Edin. 10p	92xd	−4	3.39	[illegible]
143	48	Lon. & Man. 5p	94	−2	4.35	—
178	63	Matthew Wr. 20p	144	−2	7.39	[illegible]
158½	49½	Minet Hldgs. 20p	130	−2	h2.16	[illegible]
240	93½	Pearl 5p	198	−4	9.6	—
230	87	Phoenix	188	—	†8.23	—

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£14¼	800	Durban Deep R1	900	—	‡Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10	—	‡Q115c	ϕ	‡
105	54	Rand Leases 2½c	54	−2	—	—	—
£34½	£22	Randf'tn Est. R2	£26¾	+¼	—	—	—
500	260	West Rand R1	295	+2	‡Q40c	1.3	‡

EASTERN RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	235	Bracken R1	280	—	†Q51c	1.1	11.4
23	13	Daggafontein 50c	16	—	—	—	—
105	60	East Dag R1	63	—	‡Q25c	ϕ	‡
140	140	Grvl. Areas 5c	140#	—	—	—	—
380	210	Grootvlei 30c	240	—	‡Q32c	1.1	‡
820	410	Kinross R1	700	—	†Q50c	1.5	4.5
198	107	Leslie 80c	114	+2	†Q22c	1.6	12.1
550	305	Marievale 70c	315	—	‡Q84c	1.1	‡
725	380	S. African Ld. 35c	460	—	‡Q85c	1.2	‡
265	165	Vlakfontein R1	177	+2	Q55c	1.3	12.7
£13¾	840	Winkelhaak R1	£11⅛	—	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	85	+2	Q1c	10.9	0.7

FAR WEST RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£11	680	Blyvoor 25c	845	—	Q100c	ϕ	7.4
£21½	£17	Buffels R1	£20	+¼	Q180c	ϕ	5.6
430	293	Deelkraal R0.20	306	—	—	—	—
£14¼	920	Doornfontein R1	£10⅛	−⅛	Q110c	ϕ	6.8
£12¾	725	East Drie R1	£10⅞	—	Q65c	ϕ	4.0
£12½	725	Dn. Comb. Units	£10⅛	—	—	—	—
450	295	Elsburg R1	360	+5	Q45½c	—	7.9
£31	£16	Hartebeest R1	£25¾	+¼	Q215c	ϕ	5.3
£13¾	815	Kloof Gold R1	£10	—	Q55c	ϕ	3.5
£17¾	975	Libanon R1	£10	—	Q110c	ϕ	6.9
£13¾	960	Southvaal 50c	£11½	+¼	Q9c	0.9	0.5

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
[illegible]							
375	200	Northgate C$1	278	−7	Q65c	1.0	10.1
211	80	R.T.Z.	169	−2	4.97	4.4	4.6
135	47½	Sabina Inds. C$1	76	—	—	—	—
81	51	Stanford Mines $1	62	+1	—	—	—
£12½	875	Tara Expln. $1	£10⅝	—	—	—	—
78	38	Yukon Cons C$1	66	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1978 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ‡ Regional price.
- Ⅱ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 15

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES

Thursday August 21 1975

Ulster party talks break up early

BY GILES MERRITT

FEARS arose yesterday that Ulster's vital inter-party talks on a new form of devolved Government were deadlocked, when the *UUUC Loyalist coalition* three-man negotiating team walked out of the meeting with the Catholic SDLP in a private Stor*mont committee room after only* two hours of discussion.

But a joint UUUC-SDLP communiqué was hurriedly issued to emphasise that although the secret talks will not resume to-day as planned, but next Tuesday, the break had been designed *to give both sides more time to* examine their positions.

At first it seemed that despite the atmosphere of cautious *optimism when the two sides* met on Tuesday for what was to have been the first session in a three-day series, the negotiators had found that even with the new more flexible approaches claimed by both sides, they had failed to find common ground.

Earlier yesterday there was speculation that the two teams had agreed to disagree, and were on the point of preparing a joint document for the British Government listing those items they had found mutually acceptable and those that had caused the talks to founder.

The likelihood of a breakdown had also been heightened, it was *suggested*, because the two sides were being forced to adopt less conciliatory attitudes in response to outspoken criticism from their hard-liners.

In fact, it is believed that the two delegations have, as far as possible, deliberately attempted to isolate themselves from outside pressures in the belief that unless they do so, their negotiations can never be realistic.

Cabinet

The UUUC-SLDP statement last night made it clear that negotiations now centre around the Loyalist proposals for a small Cabinet and, beneath it, eight *powerful executive committees.*

Despite the strict secrecy that has surrounded the talks so far, it has emerged that the UUUC has offered a system under which Loyalists, perhaps no more than three, would fill the Cabinet and control security and constitutional questions, but Catholics would exercise power on the committees.

The idea is that of the eight *committees, three would be con*trolled by the SDLP, three by the UUUC coalition parties, one by the centrist Alliance Party and one by Mr. Brian Faulkner's moderate UPNI. The difficulty, of course, is in establishing how much power these executive *committees would have.*

The SDLP is known to be pressing hard for the status of the committees to be increased so that their chairmen would hold something approaching Cabinet rank.

The two sides are also, no doubt, discussing how the control of the committees concerned with such important factors as housing, educational and industrial development, should be dividend between the parties.

There is clearly a good deal to be discussed and it may be *that, provided the talks can be* kept going, they could run for several weeks.

The break until next Tuesday's resumption is also intended to give the negotiating teams time to brief their parties and calm their more extremist backbenchers.

Their success in doing so will, of course, be half the battle, if agreement is ever to be reached

Kissinger hopeful

BY OUR FOREIGN STAFF

DR. HENRY KISSINGER, the U.S. Secretary of State, is resuming what could be his last Middle East shuttle to-day as he begins talks with Israeli leaders in Jerusalem over a proposed interim agreement in Sinai.

From there he will fly to Alexandria to confer with President Sadat of Egypt and, also visiting Syria, Jordan and Saudi Arabia on the way, try to complete his business before the end of the month to be back in New York to address the General Assembly of the United Nations on September 1.

Dr. Kissinger may have to start again on similar negotiations between Syria and Israel over an interim settlement on the Golan Heights later this year, but he is known to feel that his unique brand of diplomacy is reaching the limits of its usefulness.

Violent Israeli Right-wing opposition to this mission came *yesterday when some 400 demon*strators broke into the home of Foreign Minister Yigal Allon. Seven people were arrested. Earlier, 1,000 protestors had marched on the residence of Prime Miinster Yitzhaiz Rabin calling on him to resign.

But despte such opopsition and more muted but nevertheless firm Arab doubts, the chance of success for Dr. Kissinger this time must be regarded as significantly higher than in last March's abortive attempt at a settlement. Dr. Kissinger considers the chances "considerably better than evens."

Reports from Cairo and Jersualem indicate that what remains to be resolved are the form of an Israeli withdrawal, the positioning of the Egyptian and Israeli forward lines at the strategic Mitla and Giddi passes *and the manning of the early*-warning stations.

Opposition from Syria to a *Sinai deal is likely to be re*strained throughout the negotiations, since President Assad hopes that a similar deal on the Golan Heights will follow quickly.

Clearly te question of "linkage" of one agreement to another, has been exercising *President Sadat of Egypt*, who has repeatedly promised that this will be part of any settlement he concludes. Whether *Israel will give specific assur*ances that it will open talks for a further withdrawal on the Golan Heights is doubtful.

One question which will almost certainly receive little more than lip service in the negotiations, is that of the Palestinians.

Israeli Air Force jets yesterday attacked a Palestinian guerrilla base deep inside Lebanon in retaliation for a morning attack on a kibbutz *near the Lebanese border by* commandos, the military command said.

Portuguese crisis persists

BY OUR FOREIGN STAFF

PORTUGAL'S 17-month post-revolution crisis is no nearer solution, in spite of last night's swearing-in of ministers for the country's fifth provisional Government.

President Costa Gomes, speaking at the swearing-in of Premier Vasco Gonçalves's secretaries of state, said the new Government's duration *"can be expressed in days."*

General Gonçalves—who only 13 days ago announced he was able to form a government—has been under severe pressure to resign—pressure from moderates in the Armed Forces Movement and from the nation's biggest political parties, the Socialists and the Popular Democrats.

General Gonçalves said that although he was not clinging to his post, those who were against him were in reality attacking the ideas of revolution and democracy that he defended.

The speeches were made at the private swearing-in at the Presidential Palace. Texts were released by the Ministry of Information.

The declining support for General Gonçalves, well-known for his support for the Communist Party, has intensified during the past few days as opposition to the party, often violent, has spread, mostly in the North.

Yesterday the Communists, in an attempt to restore their fortunes, agreed to join the Lisbon *demonstration that attracted tens* of thousands last night in favour of Copcon security chief General Otelo Carvalho and his plan for establishing a "National Popular Assembly," made up of neighbourhood councils that would by-pass the established political parties.

General Gonçalves, President Costa Gomes and General Carvalho form the military triumvirate given supreme governing power by the *Armed Forces* Movement late last month.

Sources close to the moderate officers who recently launched the *campaign* against General Goncalves said last night that General Carvalho had agreed to a compromise plan to be handed to the President in the next few days.

The Communist decision to join last night's demonstration suggests that the party has decided to dissociate itself from General Gonçalves. Although he has not directly commented on the Carvalho plan, he has indirectly criticised it.

But, by joining the demonstration, the Communists appear to be compromising their own position since the Copcon plan, which envisages Portugal's being ruled by a "National Popular Assembly" made up of neighbourhood councils, would by-pass the established political parties, including the Communists. The *plan was very critical of Com*munists, blaming them for causing discontent and accusing them of trying to dominate the state apparatus.

Although the Communists gave only guarded support to the Copcon plan in their statement yesterday their action may make the plan more acceptable as a possible solution to the country's problems.

Disunion of the Left, Page 6
Editorial Comment, Page 12

Weather

U.K. TO-DAY

SUNNY spells in all districts, but showers in many places.

London, E. Anglia, E., S., N. and Cent. England, E. and W. Midlands

Sunny spells, mostly dry at first, isolated showers later. Wind W. veering N.W., moderate. Max. 21C (70F).

S.E England, Channel Isles

Cloudy early, perhaps rain, then sunny spells and isolated showers. Wind W. to N.W., mostly light. Max. 20C (68F).

S.W. England, S. Wales

Sunny spells, showers at times. Wind W., veering N.W., moderate. Max 19C (66F).

N. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland

Showery, sunny intervals. Wind W., fresh, veering N.W. moderate. Max. 18C (64F).

N.E. England, Borders, Edinburgh and Dundee, Aberdeen, Moray Firth, Central Highlands

Sunny spells, scattered showers, heavy later. Wind W., moderate or fresh. Max 18C (64F).

N.E. and N.W. Scotland, Orkney

Showers heavy at times, some sunny intervals. Wind S.W., veering N.W., fresh. Max 15C (59F).

Shetland

Showers heavy at times but some bright *intervals*. Wind S.W., veering W. fresh. Max 13C (55F).

Outlook: Sunny periods with showers, *mainly in the N. and E.*

Lighting-up: London 20.43, Manchester 20.57, Glasgow 21.12, Belfast 21.15.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	C	22	72	Luxembg.	C	21	70
Athens	S	32	90	Madrid	F	30	86
Bahrain	S	38	98	Manchstr.	C	19	66
Barcelona	S	28	82	Melbourne	C	13	55
Beirut	S	28	82	Milan	S	28	82
Belfast	F	19	66	Montreal	S	20	68
Belgrade	C	17	63	Moscow	C	14	57
Berlin	R	18	64	Munich	F	23	73
Birmghm.	F	20	68	Newcastle	C	20	68
Bristol	C	20	68	New York	S	25	77
Brussels	S	24	75	Oslo	C	19	66
Budapest	C	23	73	Paris	F	26	79
B. Aires	S	18	64	Perth	R	16	61
Cairo	S	34	93	Prague	C	24	75
Cardiff	C	19	66	Reykjavik	S	12	54
Cologne	C	23	73	Rio de J'o	S	25	77
Copnhagn.	R	18	64	Rome	S	30	86
Dublin	C	19	66	Singapore	R	24	75
Edinb'gh	C	20	68	Stockholm	S	22	72
Frankfurt	C	21	70	Strasbourg	C	25	77
Geneva	S	23	73	Sydney	C	19	66
Glasgow	F	17	63	Tel Aviv	S	28	82
Helsinki	F	21	70	Tokyo	C	32	90
H. Kong	S	30	86	Toronto	S	20	68
Jo'burg	S	20	68	Vienna	S	22	72
Lisbon	S	30	86	Warsaw	F	22	72
London	C	19	66	Zurich	F	22	72

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	27	81	Istanbul	C	26	79
Algiers	S	29	84	Jersey	F	22	72
Biarritz	S	32	90	Las Plms.	S	28	82
Blackpool	C	19	66	Locarno	S	26	79
Bordeaux	S	29	84	Majorca	S	30	86
Boulogne	C	20	68	Malaga	S	30	86
Casablnca.	S	26	79	Malta	S	28	82
Cape Town	S	17	63	Nairobi	C	19	66
Corfu	S	30	86	Naples	F	28	82
Dubrovnik	S	26	79	Nice	F	27	81
Faro	S	28	83	Oporto	S	24	75
Florence	F	29	84	Rhodes	S	28	82
Funchal	S	26	79	Salzburg	S	24	75
Gibraltar	C	25	77	Tangier	S	30	86
Guernsey	F	21	70	Tenerife	S	32	90
Innsbruck	F	22	72	Tunis	F	29	84
Inverness	F	19	66	Valencia	F	30	86
I. of Man	C	17	63	Venice	F	26	79

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Commission allows postal rises

By Harold Bolter
Industrial Editor

THE PRICE COMMISSION has accepted the Post Office's case for an autumn round of price increases which will yield some £284m. in the current financial year. But a final decision has to be taken by the Government, probably later this week.

Although it is obviously concerned about the effect which the Post Office price rise will have on its efforts to counter inflation, the Government is expected to accept the commission's decision.

The Government has already made it clear that it is prepared only to compensate for a £70m. *loss this year, whereas the pros*pective deficit without any increases would be at least £300m.

In this situation the Post Office will almost certainly be allowed to raise postal charges from September 29 and telephone and other telecommunication tariffs from October 1.

First-class letters would then cost 8½p (a rise of 21 per cent.) and the second-class service 6½p (up 18 per cent.), and parcel post rates would increase by an average of 30 per cent.

In addition, the minimum charge for a dialled telephone call would go up from 1.8p to 3p.

Getting the system off the bleep, Page 12

Chrysler offers Board seats to workers

BY ROY ROGERS, LABOUR CORRESPONDENT

CHRYSLER U.K. has offered its workers two seats on its main Board as part of wide-ranging proposals aimed at improving the company's poor industrial relations record, which contributed to a £17.7m. loss last year.

Shop stewards at one of the company's main Coventry plants have already spoken against the proposals, which include setting-up joint committees at national and local level, introduction of company-wide pay negotiations, and an independent arbitration procedure.

Opposition to the proposals is centred at the Stoke, Coventry, engine works, where a mass meeting on Monday will be urged *to reject them*—largely, it is understood, because stewards feel they stand to lose much of their bargaining power if national negotiations are introduced.

Outline

At the nearby Ryton assembly factory, shop stewards appear more amenable to the suggestions, which will be considered at all plants before a meeting next week at Linwood, Scotland, of leading stewards representing all the company's 27,000 employees.

Chrysler workers have to accept the proposals in principle by the end of next week to *qualify for an offer of lump-sum* payments of £50 made earlier this year.

A further £50 is on offer to all if final agreement is reached by the end of the year. As these payments are part of this July's annual wages settlements, which also gave increases of at least £8 a week, they are not expected to fall foul of the Government's pay policy.

The bare outline of the company's proposals, together with a profit-sharing scheme, was announced in May in an unsuccessful bid to prevent damaging industrial action by the Stoke engine plant workers in support of a wage demand.

Considerable detail has been given to the stewards on management's views on industrial democracy. These include having two union representatives on the main Board—which is now 13 strong—together with representation (understood to be less than 50 per cent.) on a whole range of local and national committees which actually run the plants.

Proposals

The company's proposals are understood to involve:

(a) *Plant employee represent*ative committees which would elect representatives to plant operating committees taking *day-to-day decisions on running* the plants.

(b) A company-wide employees' committee which would meet top management regularly and also nominate the union representatives for the main Board and for company-wide joint committees involved in decision making on the general running of the company including new products and production scheduling.

(c) National pay and conditions *negotiating machinery to replace* the company's present 54 separate agreements.

(d) Introduction of an Independent arbitration procedure to which all disputes could be referred.

No profit-sharing proposals have yet been put forward.

● Nearly 1,200 workers at Chrysler's at Luton and Dunstable factories were laid off yesterday following a strike of 46 *inspectors.*

All production at the Luton factory has halted, and the total workforce of 700 made idle.

The factory supplies components to the truck assembly plant at Dunstable, where production is severely affected, and 450 men—nearly half the staff—are laid off.

The inspectors, who work at the Luton factory, demand a new grading for their jobs to keep their wages above those of production workers following the introduction of pay parity at all Chrysler factories.

Italy to ask IMF for $940m. oil loan

BY ADRIAN DICKS — WASHINGTON, August 20.

ITALY IS to make a formal request to the International Monetary Fund on Friday for a drawing of 780m. Special Drawing Rights-worth of the Fund's 1975 oil facility—equal at present to about $940m., it was learned to-day.

Last year Italy was the only major industrial country to avail itself of the facility, purchasing SDR 675m. from it as part of its *overall SDR 1.9bn. stand-by* package.

This year, the Italian Government has become the first major country to borrow from the oil facility since the Fund's executive Board relaxed its conditions o faccess at the end of last month in a little-noticed decision.

The net result of this, in the Italian view, is that the oil facility now represents a considerably less daunting source of balance of payments assistance in political terms than it did last year, when the conditions set by *IMF experts on the Government's* access to the facility and to the Fund's regular stand-by arrangements provoked a political storm in Rome.

Maximum

A borrower from the oil *facility is now required to des*cribe the policies it intends to follow over the next three to four years to solve its balance of payments problems, and to give an outline of its policies for conserving oil and developing alternative sources of energy.

In addition, member-countries *can now purchase up to 50 per* cent. of their maximum entitlement under the facility's rules.

The maximum entitlement is calculated either as 125 per cent. of a country's IMF quota, or 85 per cent. of the calculated increase in its oil import costs, whichever is lower.

The Italian Government, using *the first of these two formulae*, is using its full 50 per cent. of the theoretical maximum entitlement. It is understood to be *considering asking for more if* the IMF Board further eases terms of access to the facility when it next reviews the matter in October.

Meanwhile, the Italian's demonstration that the terms of borrowing from the facility "aren't stiff at all" in the words of one *international monetary official here*, are bound to revive the question of whether the British Government, too, might wish to avail itself.

Although thereis reported to be no sign of British interest in the facility at the present moment, a number of officials here feel that Whitehall has in the past over-played its resistance to the terms of access. Borrowers at present pay 7¾ per cent. on loans from *the facility.*

Up until the Italian loan—which will take effect formally about 10 days to two weeks after *approval by the executive direc*tors—six other countries had borrowed a total of just under SDR200m. from this year's facility. The total pledged by lenders stood at the end of last month at SDR2.87bn., together with a further SDR450m. left over from last year. The Fund has set a *target for the 1975 facility of* SDR5bn.

Japanese may create new oil 'major'

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, August 20.

THE FINANCIAL problems of Japan's independent oil refiners may force a series of mergers possibly resulting in the emergence of the first fully integrated Japanese oil "major."

Two medium-sized refining companies, Maruzen Oil and Daikyo Oil, are among the candidates for a merger, together with Mitsubishi Oil which is labouring under the financial burden of making good damage caused by leakages at its Mizushima refinery.

The vertical element in the merger, according to plans now *under discussion in Tokyo, would* be provided by the Arabian Oil Company, which produces oil from concessions in Kuwait and *Saudi Arabia.*

The background to the merger plans, which are under discussion between the Ministry of Inter*national Trade and Industry*, the oil industry and the banks, is the industry's need for a solution to its increasingly serious financial plight. The refinery companies are operating at an estimated loss of 2,000 Yen (about £3.25) per kilolitre of crude oil, of which roughly 50 per cent. can be attributed to interest payments on bank loans.

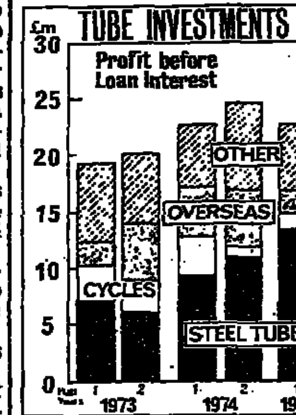
The industry could face a severe squeeze in about November, when payments will fall due for heavy crude oil imports last May. Some Japanese banks are beginning to show reluctance to extend credit to the oil industry, but they might be prepared to adopt a more lenient approach if some refinery companies showed a willingness to merge.

Sanwa Bank, the main bank of *Maruzen Oil*, and Industrial Bank of Japan, which is associated with Daikyo, have been to the fore in discussions of merger *proposals.*

THE LEX COLUMN

Tubes fights off the recession

A second-half cloud was lifted from Tube Investments last night with an indication that profits *should be held steady for* a further six months; the shares jumped 14p to 232p. First-half profits emerge, as expected, little changed at £19.2m. against £20.7m. pre-tax (after a drop of £0.8m. in profits on property *sales) and the full* year is now expected to produce around £38m. compared with £41m. for 1974. The steel tube division, mainstay of the *first six months* with a jump from £9.4m. in January-June 1974 to £13.3m., is now set to fall back on recessional influences. On the other hand, the group cites favourable



seasonal factors for domestic appliances, and probably also for cycles and the recent Midland Aluminium acquisition, while it can hope to claw back something overseas—especially in Canada which was badly hit by a two-month strike.

It looks, nevertheless, as though Tubes is relying to a large extent on working off the heavy order backlog which had accumulated in parts of the tube *division and other capital goods* areas. Stock profits arising from last January's hefty steel price rise are apparently still *cushioning the current half-year.* So 1976 continues to pose the threat of a significant further decline, and interest outgoings have continued to rise (though the rights issue will save £0.7m. interest in the current half-year). On a more positive note, however, some divisions appear to have adjusted to lower demand levels; cycle profits improved from the low level of last year's second half, even though turnover—let alone volume—was down. And the *shares are solidly supported* by a yield of over 11 per cent.

See also Page 17

Central/LCP

Central Manufacturing's bid for LCP may make all kinds of commercial sense, but in financial terms it looks a waste of time. Just over a month ago, both companies were capitalised at roughly £9½m. Then merger *talks were announced*—at LCP's instigation—and by yesterday morning Central's capitalisation had risen to just over £12m., *while LCP's had dropped to* £8.6m. It seems that the talks were running into problems on the question of price, and the equity/convertible offer from Central certainly took LCP and everyone else by surprise. After some smart price adjustments, both companies ended the day capitalised at around £10m.

From now on, we move into the familiar numbers game. LCP is being offered a 45 per cent. share in the ultimate equity. Its published net worth is £15.2m., against £8.4m. for the bidder, and although its last published profits were considerably smaller than Central's, it just has the edge on the basis of average pre-tax profits per share over the past five years.

Central now plans to produce *profits estimates for the year* ending last month and — you've guessed it — a property revaluation. But if two companies cannot agree terms in an affair like this, they would probably be better advised to forget about it.

See also Page 15

Index fell 2.3 to 300.7

Store sales

The aftermath of the spring *sales boom—already reflected in* dull retail spending figures—is going to take some of the shine off post-April store results: at Woolworth, the rate of turnover growth slipped from 33 to 27 per cent. between the first two quarters. But with earlier wage increases working their way through the system, profits growth has accelerated, and the pre-tax total for the six months to the end of July is 12 per cent. higher at £11.7m. Since then, volume has fallen because of the warm weather, and looking ahead, the group's worries about a squeeze on disposable incomes are shown by its "*relatively cautious view" of the* full-year outcome. So it now looks as if most of the improvement forecast for 1975-76 has *already come in the first half.* But the dividend should be comfortably covered—and a yield of 13 per cent. is after all the shares' sole attraction.

Meanwhile, one of the absur*dities of dividend control* for companies with a high cover has been highlighted again by Dixons Photographic's decision to take advantage of a rights issue to double its dividend. Shareholders are being asked to put up *£773,000 and in return* will receive an extra £235,000 net in the coming year. Of course, the issue is small—being equivalent to less than a tenth of the current capitalisation. Anyway, end of April net debt of £4.2m.—down by over £5m. during 1974-75 — and shareholders' funds of £10m. together seem to provide plenty of scope *for the group's expansion plans* on the Continent. Still, the group can point to a spectacular record in the 1970's—with the only *hiccup in 1973-74*—and profits are 14 per cent. up at £4.3m. pre-tax for 1974-75. For the current year, the overseas divisions and processing are expected to be ahead, but there has been patchy trading so far in retailing. And the doubts here could hold back the shares despite an ex-rights yield of 8.8 per cent.

Pye Holdings

Pye's results can be assessed *in various ways. Pre-tax profits* (on a replacement cost basis for fixed assets) are actually 22 per cent. higher at £5.12m. for the *first half despite a jump from* £1.33m. to £2.26m. in the interest charge. Below the line, the replacement cost provision for stocks has doubled to *£1.8m.* which all but wipes out available earnings. On the other hand, the CPP inflation accounting method—which Pye declines to follow—would probably allow the group to write back something like £4m. reflecting the half-year gain on net monetary liabilities.

Accounting complexities apart, the figures *indicate that* strength in the communications side, especially two-way radios, and overseas, particularly in Australia where colour TV *is* being introduced, has more than offset the U.K. consumer products downturn. The second half will probably not come up to the £6.44m. pre-tax level achieved last time, though more *than £10m. is likely for the full* year given some seasonal upturn in colour TV. Meantime, borrowings are being kept steady, *but the Board is reserving its* position on the final dividend, which takes some of the gloss off the historic yield of 11.7 per cent. at 48p.

See also Page 17

Continued from Page 1

Earnings

as the manual workers covered by wage rate statistics, should begin to drop back significantly in four or five months. By the *middle* of next year, excluding the impact of any variations in the general economic climate, the Government hopes that the year-on-year rate of increase should be back to around the 10 per cent. mark in line with the official inflation target.

The July wage rate figures reflect a month when there were no individual settlements of major impact, but a number of *smaller deals*. The *main sig*nificant rises involved workers in agriculture in England and Wales—the second stage of their January settlement—Post Office engineers, workers in the retail drapery, outfitting and footwear trades and in industrial and staff canteens.

These were partly offset by a small reduction in the minimum entitlements of workers in the coal mining industry, resulting from a drop in output in the second quarter which led to non-payment of the national production bonus.

The previous month's figure has been revised upwards by some 0.6 per cent. as a result of several small backdated settlements.

Guidelines

John Elliott writes: Yesterday's figures mark almost the end of the old wage round based on the TUC's pay guidelines which were yielding settlements over the year, including threshold payments, of around 30 per cent. in many sectors.

From now on, however, the figures should start to drop as the impact of the £6 policy makes itself felt. But it will be some time before enough major national deals have been struck for there to be any dramatic *change.*

There are still some old-style deals to be fully reflected in the figures. The only bargaining now in progress is in comparatively small sections of the private sector. The major public sector round does not start till the late autumn.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

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